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Algeria	4.00	Din.	India	Rs. 10	Nigeria	70 K
Argentina	13.5	pes.	Iran	125 Rials	Peru	4.00
Australia	0.50	A\$	Israel	1.00	Qatar	0.40
Belgium	26.4	Bfr.	Italy	600 Lire	Portugal	20 Esc
Canada	1.10	Can.	Japan	360 Yen	Qatar	0.40
Czechoslovakia	20.0	Cs.	Korea	80 Won	South Africa	5.00
Denmark	5.00	Dkr.	Lebanon	1,000 L.L.	Spain	166 Ptas.
Egypt	75 P.	Lib.	Lithuania	1,000 Lt.	Sweden	4.00
France	6.5	Ffr.	Luxembourg	100 Ffr.	Switzerland	1.70
Germany	1.80	M.	Moldavia	1,000 M.	Taiwan	0.25
Greece	160	Dr.	Morocco	20 Dirhams	Turkey	1.80
Holland	2.20	Gld.	Netherlands	1.00	U.S.A.	1.00
India	Rs. 10		Norway	4.80	Yugoslavia	30 D.

Established 1887

French Trawlers Renew Blockades

Southern Oil Port Closed for Day By Tugboat Crews, Dock Workers

By Paul Lewis

PARIS, Aug. 25 (NYT) — Angry French fishermen toughened their confrontation with the government by reimposing the blockades of the country's major ports. The fishermen and their allies are hardening their positions in preparation for Wednesday's Cabinet meeting, at which the government has said it will lift the blockades. The fishermen, however, will not end the dispute, the most serious since the 1973-74 oil crisis. For the first time in the dispute, they today blocked the big oil port of Fos-sur-Mer, near Marseilles. The fishermen destroyed a tugboat, making it hazardous for supertankers to navigate from the high sea.

The French navy, which forcibly ended the Mediterranean oil port blockade at Fos-sur-Mer last week, was reported to be moving tugboats and other vessels from Cherbourg toward Antwerp, apparently in preparation for reopening operations.

France's roughly 22,000 professional fishermen are trying to save 2,000 to 3,000 jobs they say will disappear this year unless the government gives them higher fuel subsidies and stops trawler owners from making planned cuts in the size of crews.

So far the government's response has appeared to be extremely cautious. After criticism from right-wing "law and order" advocates, Prime Minister Raymond Barre said the navy would keep France's "vital oil ports open," although the country has more than three months' oil supplies in stock. But so far, the government has refused to use force against fishermen blockading other ports, despite the damage to trade and the inconvenience caused some 15,000 summer vacationers stranded on both sides of the English Channel.

The government's hesitancy seems understandable. With next spring's presidential elections already casting a shadow over the political landscape, it obviously wants to keep the dispute from spilling over into other sectors of the economy during the fall, when French trade unions traditionally turn militant in defense of year-end pay claims.

On the other hand, the French fishing industry, like that in other European countries, already receives handsome government subsidies. And the present government, which is committed to phasing out ineconomic sectors of the economy, has no wish to give it more aid.

One possible way out, observers here indicated, might be for the government to try to reduce imports of fish. There were unconfirmed reports that the offer the government submits to the fishermen on Wednesday might include a promise to subject imported fish to tougher sanitary controls.

Meanwhile, France's biggest union, the Communist-affiliated CGT, closed the oil port at Fos-sur-Mer by calling out tugboat operators and dockhands for a 24-hour strike. The strike is in support of the fishing industry.

Port officials at Fos-sur-Mer said work resumed tonight. Tugboats, however, were reported to have blocked the port for the last few days. They were absent today.

All Mediterranean ports except Marseilles were reported blocked today, as were the Channel ports at Havre, Dunkirk, Cherbourg and St. Malo. Fishermen's representatives said they planned to close the Channel ports at Calais, Roscoff and St. Malo tomorrow.

Anderson Chooses Lucey To Be His Running Mate

WASHINGTON, Aug. 25 (UPI) — Independent presidential candidate John Anderson named a liberal, disaffected Democrat, former Gov. Patrick Lucey of Wisconsin, as his running mate today.

The decision to choose Mr. Lucey, 62, had been expected, even though Rep. Anderson denied news reports on Friday that he had decided to offer the position to the former governor.

Mr. Lucey, a former ambassador to Mexico under President Carter, had been deputy campaign director for Sen. Edward Kennedy's unsuccessful bid for the presidency. When Sen. Kennedy lost the nomination to President Carter two weeks ago, Mr. Lucey walked out of the Democratic National Convention in New York.

"I have broken with the party to which I have devoted my political life," Mr. Lucey said at a news conference with Rep. Anderson. "I am now a Democrat, and I am proud of it."

Long identified with the liberal wing of the Democratic Party, Mr. Lucey in 1968 concentrated on the presidential campaign of Robert Kennedy and, after Kennedy was killed, he joined the presidential campaign of Eugene McCarthy as convention floor manager.

As state Democratic chairman in 1960, he backed Sen. John Kennedy in the Wisconsin primary in which Kennedy defeated Sen. Hubert Humphrey.

The choice of Mr. Lucey, whose political career has been linked with the Kennedy family, and who is a Democratic Party stalwart in Wisconsin, is aimed at boosting Mr. Anderson's standing in the political polls by drawing support of liberals away from Mr. Carter.

Rep. Anderson's standing in the polls had fallen recently to near the 5 percent level that is required by the League of Women Voters to qualify for the league's televised debates between Mr. Carter and Ronald Reagan, the Republican presidential candidate.

Rep. Anderson had indicated that he had hoped to find a running mate, a well-known Democrat, elected official and someone who fulfills those requirements.

Rep. Anderson received a severe appointment in April in the Wisconsin primary, where his third-place finish led to his decision to leave the Republican nomination contest and become an independent.

The fact that he is a lifelong Democrat symbolizes the spirit of a national unity campaign, Rep. Anderson said. Mr. Lucey, he added, was said to be Mr. Lucey's commitment to social change.

Mr. Lucey, a graduate of the University of Wisconsin and owner of a real estate firm, is considered a leader of the revival of the Democratic Party in Wisconsin. In 1970, he became only the fourth Democrat to become governor of Wisconsin.

He was re-elected in 1974, but re-



An uncensored newspaper — a rare event in Poland — is distributed to eager strikers in Gdansk.

Reagan Defends Taiwan Stand As Only 'Correct' U.S. Policy

LOS ANGELES, Aug. 25 (UPI) — Charging that President Carter "has gone out of his way to humiliate our friends in Taiwan," Ronald Reagan said today that his call for official relations with the Taiwan government is no more than the correct interpretation of the existing U.S. policy as passed by Congress.

Mr. Reagan, appearing with George Bush at a news conference, said his running mate had an "extensive exchange of views" with Chinese officials and had fulfilled the objectives of the trip.

Attempting to untangle apparently contradictory remarks made by Mr. Bush and himself over the past few days, the Republican presidential candidate outlined a four-point plan that he called his "guiding principles for the Far East."

The plan called for improved relations with China, a pledge to work for peace, stability and economic growth in the western Pacific and a mutual effort with all countries to the area to "stand firm against aggression or search for hegemony which threaten the peace and stability of the area."

But that is behind us now. My present concern is to safeguard the interests of the United States and to enforce the law of the land," he said.

Mr. Reagan said the intent of Congress in passing the Taiwan Relations Act was "crystal clear." The act called for official U.S. relations with Taiwan to be funded by Congress with public funds audited by the comptroller general, he said. Congressional oversight would be performed by two standing committees.

"You might ask what I would do differently," Mr. Reagan said. "I would not pretend, as Carter does, that the relationship we now have with Taiwan, created by our Congress, is not official."

Mr. Reagan said if elected he would "eliminate petty practices of the Carter administration that are inappropriate and demeaning to our Chinese friends on Taiwan."

"For example," Mr. Reagan added, "it is absurd and not required by the act that our representatives are not permitted to meet with Taiwanese officials in their offices and ours. I will treat all Chinese officials with fairness and dignity."

Mr. Bush returned to Los Angeles yesterday from his trip to China and Japan, telling reporters only that he had "sought an exchange of views" with officials in Peking.

But the Chinese Communist Party newspaper People's Daily yesterday accused Mr. Reagan of "shocking interference in China's internal affairs by making repeated ravings on Taiwan during his election campaign."

There was no substantive U.S. comment because American officials are uncertain themselves as to what the moves announced yesterday really mean. There are many unanswered questions as to where the leadership and policy shifts announced by Edward Giersek will take the Poles, and indeed, where this leaves the Soviet Union and other members of the Eastern bloc.

A major two-part question was whether the Soviet leaders endorsed the shakeup in the Polish Politburo and what Moscow's reaction would be to Mr. Giersek's promise of free elections with secret ballots for the trade-union leadership.

Because of these questions, there was considerable conjecture in Washington that yesterday's developments might not be the final word, that Mr. Giersek may be treading on a delicate path — trying to avoid another wave of violence such as struck Poland in 1956 and 1970 while maintaining Moscow's confidence.

Stability in Europe

For the moment, there seems to be a convergence of interest in Washington and Moscow, with both capitals interested in seeing Poland's rulers and populace work out a suitable compromise that can avoid disruptions that threaten stability in Europe.

Clearly the sentiment here is for more freedom for the Polish people. The purging of many of the reputed hardliners in the leadership yesterday, such as Jerzy Lukaszewicz, the head of propaganda and ideology, appeared to be part of a significant effort by Mr. Giersek to appease the strikers and their intellectual supporters.

Panel Blames Lawmakers for Aid Crisis

Congress Ordered Study, Only to Be Called Root of the Problem

WASHINGTON, Aug. 25 (NYT) — A federal commission ordered by Congress four years ago to conduct a thorough study of the state of American government has concluded that Congress itself is chiefly to blame for an unmanageable, wasteful and unaccountable system of domestic-aid programs.

Created during the Eisenhower administration to make seemingly innocuous studies in federal-state relations, the Advisory Commission on Intergovernmental Relations has concluded that the federal system is simply out of control.

The panel has begun to publish its findings in a series of reports and background papers that Congress commissioned in 1976 in response to rising public discontent with government at all levels.

"Neither public officials nor the general public comprehend fully the new complexities of domestic public policy, or adequately control — or even check — the myriad forces that have generated it," the commission said in its first printed volume.

Yet the language and conclusions in that volume are mild compared with some of its documents yet to be published. In some of those, the commission depicts the federal government as so overloaded with programs and issues that it cannot cope with needs to reform. The myriad programs are so intertwined among the state, local and federal governments that none can control them, according to the commission.

While all levels of government and the courts were found to have played roles in failures of the past two decades, the commission singled out Congress as having had more to do with bringing about a crisis of confidence.

"Our findings belie the notion that Congress acts as a great rubber stamp for presidential, bureaucratic or interest-group initiatives," the commission said. "In fact, in many instances the opposite would be far closer to the truth."

Congress was depicted as quick to take on minor new issues, but timid in drawing up such needed reforms as overhauling the welfare system. Members of Congress were found to be so preoccupied with such narrow concerns as potholes, libraries, rat control and police pensions that they had little time to deal with such major responsibilities as foreign affairs and the economy.

Ignored for Years

All this might have gone unnoticed — Congress has been ignoring the commission's advice for years — had not the group's findings and recommendations become the fulcrum for an incipient revolt by the states against the federal government.

The National Governors Association, with the support of the National Conference of State Legislatures, has formally called on the president and Congress to appoint a high-level commission next year to recommend reforms to the federal system, including the realignment of powers between the state and federal governments, through laws or constitutional change.

The commission has suggested that reform could begin with a series of trades that would give the federal government responsibility in some areas while giving the states responsibility for others.

For example, the federal government could take over the costs and responsibility for public welfare, including Medicaid, social services and food stamps. It would also assume responsibility for social insurance, including unemployment insurance, and housing programs.

The panel suggested that the states could then take over the responsibility for education, libraries, fire protection, police and corrections, natural resources, hospitals and health services. While the commission maintains that there would be little difference in the costs that each would have to bear, it contends that the public would at least know who is responsible for what.

Grant Programs

Many of the more than 500 grant programs could be consolidated or phased out, according to the commission.

The 26-member commission is required by law to consist of six members of Congress, three officials from the executive branch, four governors, four mayors, three state legislators, three elected county officials and three private citizens, each appointed for two-year terms. Former Mayor Abraham Beame of New York is the current chairman. There is a staff of about 37.

In documents supporting its recommendations for change, the commission said much of the increasingly dysfunctional state of government stems from the decline in influence of national political parties, which once served to keep the bulk of domestic governmental issues and programs completely out of the Washington arena.

The commission said Congress has refused to assume full responsibility for functions that should be purely national, such as income maintenance, health insurance and welfare. Nor has Congress been willing to relinquish matters that should be strictly local, such as urban parks, and rural fire control, it added.

To a frustrated electorate, the panel said, the system has become highly incomprehensible even to those whose job it is to have an understanding of it.

New Premier May Participate Polish Strikers Say Talks Will Resume

By John Damron

WARSAW, Aug. 25 (NYT) — Delegates representing some 200,000 striking Polish workers on the Baltic coast and negotiators for the government cleared up a last-minute hitch tonight and agreed to start talks tomorrow.

The snag came in the evening when the delegates voted unanimously not to resume negotiations until telephone communications along the coast were restored. Several hours later the government restored telephone service, and the strike committee agreed to open talks.

A new team of government negotiators, reportedly headed by the new premier, Jozef Pinski, was said to be in Gdansk on the way for the negotiating sessions.

The developments came a day after the government made major concessions and purged much of the top party leadership — including Premier Edward Babuch — in hopes of bringing the workers to the bargaining table.



Jozef Pinski

The vote by some 800 delegates indicated a mood of militancy among the strikers that could prolong the crisis, owing to its 12th day. They roared their approval when the vote was taken at 7 p.m. to the dingy red-brick conference hall at the Lenin Shipyard in Gdansk.

Negotiating Condition

The strikers have long insisted that telephone service on the coast, which has been very sporadic for eight days, be restored as a condition to negotiating. Without telephones the strike committee in Gdansk has difficulty in coordinating its actions with two other strike

committees, one in Szczecin to the west and one to Elblag to the southeast.

The government had asked that the strikers to turn permit bus services in Gdansk to start up as a sign of good faith. The strikers refused, arguing that this would break their solidarity.

For the first time, the strike committee was being advised by a group of seven intellectuals, headed by Tadeusz Mazowiecki, the editor of a Roman Catholic magazine.

The strikers appeared to be hardening their insistence upon defining the right to free trade unions, which is emerging as the most important of 21 demands.

In a speech yesterday shortly after the sweeping changes in party personnel were announced, Edward Giersek, the Communist Party first secretary, promised open elections for trade-union leadership with secret ballots and an unlimited number of candidates.

He said that if the representatives of the strikers were truly popular, they could run for office in the unions and then presumably reform them from within. The concession, although major, appeared less than the total structural changes the strikers had been asking to make the unions independent of the government, the Communist Party and factory management.

The strikers responded guardedly to the proposal today. "We don't want a free trade union to be led by party members," a committee member said. "We have already worked out a structure for it."

But another leader, Florian Wisniewski, said the government concessions were a stretched-out hand and constituted a good omen for negotiations which have a chance of success.

A young striker, asked for comment on Mr. Giersek's speech, replied caustically: "We do not interfere in the internal affairs of the party."

Poland's state-controlled newspapers began informing the people today about the strikers' demands, which also include an end to censorship, access by religious groups to the news media and rollbacks of meat prices. The strikers have been producing an uncensored newspaper for Gdansk.

Long lines formed early today at newspaper stands as papers (Continued on Page 2, Col. 7)

How Will Parallels to '56 Work Out This Time?

Giersek's Action Prompts Questions in U.S.

WASHINGTON, Aug. 25 (NYT) — Faced with the dilemma of a bloody crackdown or further concessions to striking workers and rebellious intellectuals, Poland's Communist leadership seems to have moved toward concessions, reminiscent of the heady days of 1956 when a wave of liberalism swept the country.

There was no substantive U.S. comment because American officials are uncertain themselves as to what the moves announced yesterday really mean. There are many unanswered questions as to where the leadership and policy shifts announced by Edward Giersek will take the Poles, and indeed, where this leaves the Soviet Union and other members of the Eastern bloc.

A major two-part question was whether the Soviet leaders endorsed the shakeup in the Polish Politburo and what Moscow's reaction would be to Mr. Giersek's promise of free elections with secret ballots for the trade-union leadership.

Because of these questions, there was considerable conjecture in Washington that yesterday's developments might not be the final word, that Mr. Giersek may be treading on a delicate path — trying to avoid another wave of violence such as struck Poland in 1956 and 1970 while maintaining Moscow's confidence.

Stability in Europe

For the moment, there seems to be a convergence of interest in Washington and Moscow, with both capitals interested in seeing Poland's rulers and populace work out a suitable compromise that can avoid disruptions that threaten stability in Europe.

Clearly the sentiment here is for more freedom for the Polish people. The purging of many of the reputed hardliners in the leadership yesterday, such as Jerzy Lukaszewicz, the head of propaganda and ideology, appeared to be part of a significant effort by Mr. Giersek to appease the strikers and their intellectual supporters.

By announcing that the chief economic officials, including Premier Edward Babuch, had been fired, Mr. Giersek was trying to find scapegoats for the poor shape of the economy. It was the accumulation of grievances over the economy, touched off by the end to subsidies for meat, that provided the catalyst for the current wave of strikes.

But it is impossible to tell whether the steps announced by Mr. Giersek are simply tactical, aimed at taking the heat out of the strike in Gdansk and other major industrial areas, or whether they will set off a chain reaction that even Mr. Giersek cannot control.

The admission by Mr. Giersek that "we must now actively listen to the voice of public opinion" was reminiscent of the ascension to party leadership in the summer of 1956 of Wladyslaw Gomulka, who was released from house arrest to take power and meet the demands of Polish intellectuals and workers who were caught up in the wave of anti-Stalin sentiment.

Mr. Gomulka, who was to resign and turn over the mantle to Mr. Giersek to ignominy in 1970 when riots broke out in Gdansk — also spoke, as his successor did yesterday, of paying heed to the people's complaints.

"There is no escaping from truth," Mr. Gomulka said in 1956. "If you cover it up, it will rise as an awful specter, frightening, alarming, and madly raging."

What had provoked Mr. Gomulka's coming to power were workers' riots in Poznan, which the hardliners of those days initially described as the doing of enemy

agents. But Mr. Gomulka admitted that Poznan was a protest against the evil that was widespread in the social system.

He outlined a major program for reform, which included greater control of the workers over industry, more democracy in party and governmental life and more freedom from Soviet domination.

Much has changed in Poland, in the Communist world and to Europe since 1956. Moscow no longer tries to dominate its European satellites with quite the same vigor. There is more tolerance in Moscow of local deviations in Eastern Europe, so long as the primacy of the Communist Party and the ties to Moscow are not severed.

The Soviet leadership has had to deal with a bloody revolution in Hungary, an independent Romania, several crises in Poland and an ideologically rebellious party in Czechoslovakia.

Nikita Khrushchev came close to intervening in Poland in 1956, but hesitated. His reluctance to move into Poland, however, probably forced his hand when the Hungarian party leadership was torn asunder by the same post-Stalin reverberations that had earlier shaken Poland.

Almost exactly 12 years ago, Leonid Brezhnev, after some months of hesitation, forced the Poles and other East Europeans, except Romania, to intervene in Czechoslovakia because of concern that the liberal forces at work in the party leadership posed a danger to the Soviet Union's interests.

One reason that the Soviet Union (Continued on Page 2, Col. 8)

China Ousts Oil Minister For Cover-Up of Disaster

PEKING, Aug. 25 (UPI) — The government fired Petroleum Minister Song Zhenming and reprimanded Vice Premier Kang Shien today for covering up the cause of China's worst oil disaster.

The government shakedown came a day after the Communist Party newspaper People's Daily attacked Mr. Song and the Petroleum Ministry over the collapse of an offshore oil rig last November. Many of China's top experts in oil exploration are believed to have been among the 72 persons killed.

The official news agency said the Cabinet, or State Council, had "accepted the request of Song Zhenming, minister of petroleum industry, to be relieved of his post for responsibility for the capsizing of the Bohai No. 2 offshore drilling rig."

The Cabinet also said that Mr. Kang, one of China's 18 vice premiers, "will receive a demerit, first grade, for his failure to handle the matter promptly and conscientiously." Mr. Kang is in charge of China's growing oil industry.

The People's Daily opened the attack on the head of the Petroleum Ministry when it said Mr. Song was "obviously lying" when he reported to the Cabinet on the cause of the disaster.

The oil platform collapsed and capsized last Nov. 25 while it was being towed.

The party newspaper said the ministry "tried to cover up the facts of this most serious accident ever in China's oil industry." It demanded "serious treatment" for those responsible for the disaster and the cover-up.

The newspaper said the ministry tried to lay responsibility for the collapse of the rig on "long-term interference and sabotage by the Gang of Four," but said it is no longer possible to blame all of China's ills on the radical group, now awaiting trial.

The newspaper said the ministry tried to exaggerate the poor weather in its report to the Cabinet, and interfered with official inquiries.

Dacca, Bangladesh, Aug. 25 (AP) — The death toll to flooding across Bangladesh passed the 200 mark with nearly 45 more deaths reported yesterday. Road and railway links remained disrupted and Ishwardi Airport is threatened, officials said.

INSIDE

Abseam Follies

In a Brooklyn courtroom, secretly taped films of the bribing of a U.S. Congressman are absorbing viewers and providing a graphic picture of political corruption. Says a defense lawyer: "How do you argue with a tape?" Page 3.

Zimbabwe's Mood

Despite the ongoing post-independence social and economic problems, the fears of the whites remaining in Zimbabwe so far have not been realized. The Los Angeles Times's Jack Foisie reports, in fact, that the trend is up. Page 2.

Hindu vs. Moslem

India's recent outbreak of fighting between Hindus and Moslems has exposed the continuing vulnerability of the nation's Moslem community, and there is little hope for any immediate improvement. Page 4.

Zimbabwe Seems 'on the Mend' Under Mugabe's Black Regime

By Jack Foisie

SALISBURY, Aug. 25 (LAT) — It has been four months since Robert Mugabe, considered a Marxist revolutionary, came to power after elections here in the former Rhodesia, the last British colony in Africa. Since then, the country's name and flag have been "Africanized," statues honoring white colonialists have been torn down, streets have been renamed to honor black revolutionaries, and a black Cabinet minister has been charged with the murder of an elderly white farmer.

And in some areas of the countryside the residue of a seven-year black war of liberation remains. Renegade guerrillas rob and murder citizens, both black and white.

But for all the early mistakes and excesses and initial lack of discipline in the Mugabe administration, this southern African country, with its fine climate, productive mines and fertile farmlands, appears basically on the mend.

Although about 1,500 whites continue to emigrate each month, about 195,000 remain, willing to test further whether they can retain much of the pleasant life-style they remember. Is it possible, they ask, in a country where 7 million blacks who remember the minority rule of the whites now hold sway?

Mr. Mugabe's economic decisions have been hailed as gutsy and brilliant by his supporters, who now include a number of influential whites.

Hard-Headed Decisions

He is credited with making three hard-headed decisions, all counter to the revolutionary concepts of his own party's executive committee, to help get the country's economy back on the rails after seven years of war and an international economic embargo.

Mr. Mugabe overruled his finance minister and authorized almost \$10 million in drought relief

payments to 800 farmers — most of them whites. He became convinced, associates say, that farming, a mainstay of the country's economy, must be supported during "bad years."

On another issue, Mr. Mugabe stalled when his party's Central Committee demanded a minimum wage of about \$100 a month for all workers effective May 1. He decreed that May 1 would be a worker's holiday as it is in other socialist countries, but he said he needed more time to determine a realistic minimum wage.

Then, convinced that setting such a pay floor would be ruinous before full economic recovery, he set a lower, flexible minimum, with rates varying in different industries.

And even his minimum caused some managers to economize by reducing staff. There have been layoffs totaling 50,000 to 60,000 workers in a country where a million people are employed. However, the job loss may be absorbed by Zimbabwe's expected economic growth within two or three years, economists assert.

Modest Budget

Mr. Mugabe's other pragmatic decision was to come up with a modest budget. Its primary objective was to sustain economic growth through private initiative rather than redistribution of wealth.

"The prime minister is not a Marxist. He's an African Socialist," one of his white admirers said. "He has learned from 20 years of trial-and-error attempts by other newly established African governments."

However, in many black political circles, the reasons for the Mr. Mugabe's pragmatic decisions are not always understood or appreciated. There is a radical element within his own party that is demanding that whites be made to suffer for the 90 years of exploitation of blacks during colonial rule.

Mr. Mugabe still must rule through consensus in his Cabinet, and in his party council. He has never achieved absolute authority within his revolutionary movement.

His continued ability to follow the path of compromise will depend largely on how rapidly he can resuscitate the economy, and begin his promised program of buying up idle white farmlands to turn over to blacks.

To succeed, his government will need much more foreign aid. Currently most nations in both the Western world and the Communist bloc are offering assistance.

Mr. Mugabe is currently in the United States to address the United Nations General Assembly, scheduled to meet President Carter. Reports here indicate he will ask, and receive, a promise of more than the \$75 million in aid so far offered.

Postwar Problems

Fortunately, some of Zimbabwe's postwar problems appear to have been exaggerated. Instead of having to resettle an estimated quarter million war refugees who fled to neighboring countries only 100,000 have returned, with only a trickle expected.

Mr. Mugabe's government presently is feeding and housing about 400,000 people — the returned refugees and people suffering war displacement within the country. To get war-ravaged land back into food production there is a program providing tools, seed, fertilizer and pesticides to those returning to their home areas.

Rehabilitation of Zimbabwe's commercial farming — one of the most efficient in Africa — will take longer, he said. In part that is because of the black-market trade in agricultural products that took place during the 13 years when Zimbabwe (then Rhodesia) was a rebel British colony and faced UN trade sanctions.

Mr. Mugabe has several other major problems to resolve. He needs to stem the further departure of skilled whites — about 30,000 left the country during the insurgency and since.

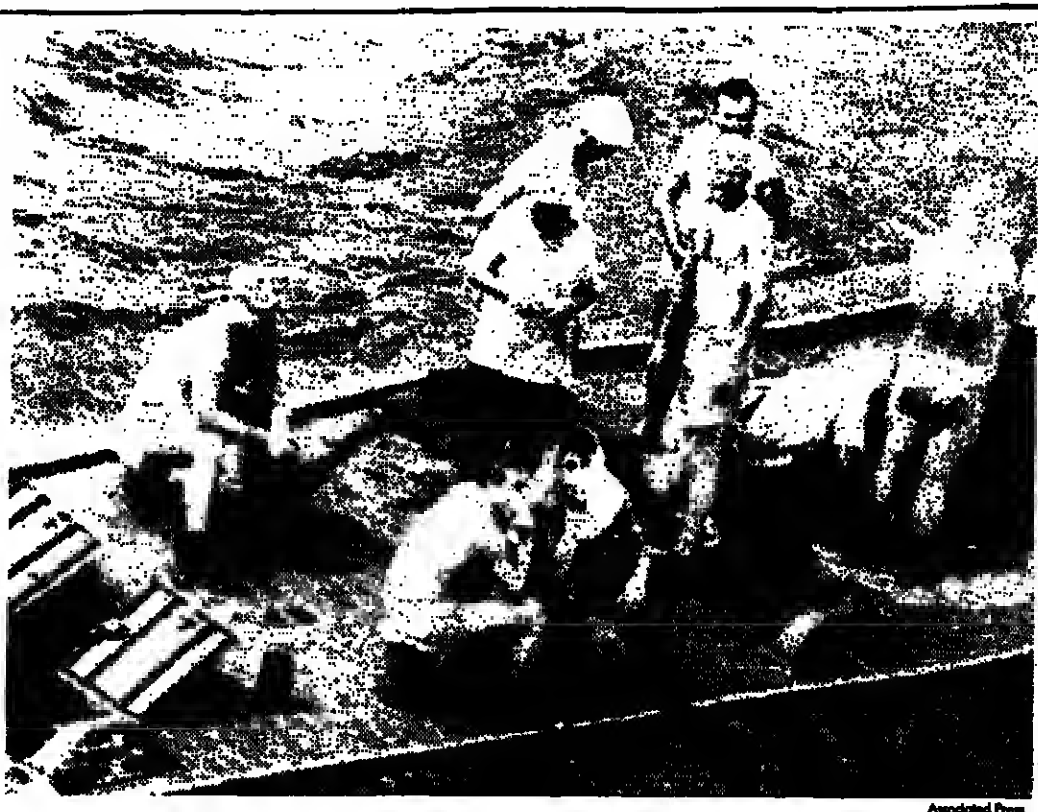
Further loss of skilled whites will become a critical factor in Mr. Mugabe's effort to preserve the renewable natural resources of government civil service and private business operations this country still enjoys.

Zimbabwe Admitted to UN

UNITED NATIONS, N.Y., Aug. 25 (AP) — Zimbabwe was admitted as the 153rd member of the United Nations today, adding one more developing nation to the world body as the General Assembly opened a debate on the economic problems of developing nations.

Prime Minister Robert Mugabe led the Zimbabwe delegation into the General Assembly chamber after the nation's membership was confirmed by acclamation and enthusiastic applause.

The United Nations imposed economic sanctions on the former Rhodesia 15 years ago that crippled the economy and were a factor in forcing the white-minority government to agree to hand over power following elections earlier this year.



Crewmen sunbathe on the deck of the disabled Russian submarine being towed home.

British Captain Doubts Fire Claim on Soviet Sub

TOKYO, Aug. 25 (AP) — The British captain of the first ship to reach the disabled Soviet nuclear submarine east of Okinawa last week says he doubts the Soviet crew's story that a fire occurred aboard the craft.

Capt. Cecil Baker of the 48,000-ton tanker *Gari* said he sent a lifeboat alongside the sub, and the crew saw nine bodies and three injured men on the deck.

The Russians told the boat crew that there had been a fire, but there were no signs of burns either

on the bodies or on the submarine, Capt. Baker said.

"I don't know what happened aboard that sub, but I don't believe it was a fire," the captain, 52, told reporters after his ship docked at a port east of Tokyo during the weekend.

The 6,000-ton submarine was disabled Thursday about 85 miles east of Okinawa and is being towed to the Siberian port of Vladivostok by a Soviet tug. They are being escorted by a missile cruiser, a destroyer and another Soviet ship.

Legal Status Unchecked After Demonstrations

Iranians Freed Prematurely, U.S. Says

By Robert Pear

WASHINGTON, Aug. 25 (NYT) — Immigration officials now acknowledge that 20 to 30 Iranian students arrested at demonstrations in Washington late last month were released from a federal prison in Otisville, N.Y., before their names and legal status had been verified.

The acknowledgment tends to support complaints by immigration officers at the time that some of the

Iranians had been released prematurely.

A total of 171 Iranian males had been held four days at the Otisville prison and 20 Iranian women at a federal jail in Manhattan on suspicion that they had violated immigration laws. All were freed on the evening of Aug. 5. It now appears that eight of the 191 were violators of immigration laws.

The acting commissioner of the Immigration and Naturalization

Service, David Crosland, has ordered a review of the circumstances surrounding release of the Iranians, all said to be supporters of Ayatollah Ruhollah Khomeini.

Francis Johnson, an assistant director of the immigration service office in New York, said Friday that 20 or 30 checks were not completed by the time the Iranians were freed.

Glenn Bertness, an assistant commissioner of the Immigration and Naturalization Service, said he decided at about 9 a.m. on Aug. 5 that the Iranian students would be released from prison at 9 that evening. He said he had decided on the release time after he was told by an investigator who was at Otisville that the verifications of the students' status could be completed by 9 p.m.

Aug. 7 Statement

The Justice Department issued a statement Aug. 7 saying that all but two of the Iranians were legally present in the United States and Deputy Attorney General Charles Rehnquist gave the White House an assurance to that effect.

But Verne Jervis, a spokesman for the Immigration and Naturalization Service, said Friday that the agency rechecked 161 of the 191 Iranians and found eight to be violating the immigration laws or the terms of their visas. Four of the eight were in deportation proceedings before their arrests here, he said.

Immigration officers said there was substantial confusion at the Otisville prison. Many of the Iranians were on a hunger strike and some were becoming ill.

In a letter this week to Attorney General Benjamin Civiletti, Rep. Elizabeth Holtzman, D-N.Y., said her own preliminary inquiry had suggested that pressure may have been brought to release the Iranians summarily. Miss Holtzman, who is chairman of a House subcommittee on immigration, said more than 30 of the students may have been in this country beyond the specific dates indicated on their travel documents.

Cairo Proposal For 9-to-5 Day Faces a Fight

CAIRO, Aug. 25 (AP) — Moves to scrap Cairo's version of the siesta in favor of a 9-to-5 day face opposition from traditional-minded shopkeepers and workers.

A university study, reported today by the Egyptian Gazette, found that the equivalent of millions of dollars could be saved if merchants worked straight through the day. The proposal, which the paper said was supported by city officials, would mean two rush hours a day instead of four.

At present, commuters fill Cairo streets around 9 a.m. and again at 2 p.m., when they go home for the midday meal and *raha* (rest). They return to work about 6 p.m., then head home again around 10 p.m.

Nearly three-quarters of the Cairo shopkeepers interviewed by the Gazette said they favored confining business hours to one eight-hour period. But a merchant opposed to the proposal said, "Traditionally, most people shop between 6 p.m. and 9 p.m. How will they adjust to the radical change in their daily routine, which the earlier closing time demands?"

Opposition is also likely to come from working mothers, who say the change will mean their children will return from school — usually around 2 p.m. — to empty houses and apartments.

WORLD NEWS BRIEFS

Seoul Defendant Says Interrogators Beat Him

SEOUL, Aug. 25 (UPI) — A co-defendant of opposition leader Kim Dae Jung testified today that he lost the use of one arm when he was severely beaten by interrogators in an attempt to force a confession.

Lee Mun-yung, a professor of government at Korea University, said the interrogators warned him that if he did not confess to the charges against him, he would wind up in the hospital.

Earlier today, Mr. Kim denied inciting violent anti-government riots and testified that there was no need for him to overthrow the government because he was confident of victory through elections. Mr. Kim, Mr. Lee and 22 others have been charged with sedition and could be sentenced to death if convicted.

More Soviet Troops Reported in Afghanistan

NEW DELHI, Aug. 25 (AP) — At least 10,000 Soviet soldiers have been airlifted to a military base in Afghanistan's northwestern Herat province to help government troops fight Moslem rebels, an Afghan source said yesterday.

The source said the Soviet troops arrived last week aboard transport planes that apparently flew directly from the Soviet Union to Shindand airport, near the city of Herat about 80 miles (48 kilometers) south of the Soviet frontier. There was no independent confirmation of the report.

Afghan refugees have said the Shindand military air base has become Herat's civilian airport because of fighting around the city. Passengers are taken from Shindand to Herat in convoys escorted by armored cars, they said. Soviet forces bombed and shelled Herat for five straight days starting Aug. 24, according to reports from Kabul.

Sweden's Social Democrats Declare Tax War

STOCKHOLM, Aug. 25 (Reuters) — Swedish opposition leader Olof Palme served notice today that the Social Democrats will try to bring down the center-right government over its plans to give Sweden the highest value-added tax in Europe.

"We want a new election," Mr. Palme said as a two-week special session of the Riksdag (parliament), the first since World War II, opened today to consider the three-party government's proposal to raise the tax from 20.63 to 23.46 percent.

Premier Thorbjorn Falldin wants to use the tax increase, plus increased taxes on petrol, alcohol and tobacco, to slow down consumer spending as Sweden's trade deficit rapidly widens. During the first seven months of 1980, the nation's trade account deficit rose to \$1.6 billion from \$57 million over the same period last year.

Iranian Militants Again Transfer Hostages

TEHRAN, Aug. 25 (Reuters) — The militant students holding the American hostages, claiming that Washington planned to try and free the captives before the U.S. presidential election, announced tonight that some of them had been moved to secret locations.

In a statement broadcast by Tehran radio, the students repeated earlier threats that if the U.S. attempted another military operation to rescue the hostages, they would be killed. They said the hostage issue was now of critical importance because of the American elections Nov. 4, which is also the first anniversary of the seizure of the hostages.

In another development, Iran's national guidance (information) minister, Massoud Minaichi, has offered his resignation to President Abolhasan Bani-Sadr, the official Paris News Agency said. The president's spokesman was unable to confirm that the resignation had been accepted, but said Mr. Minaichi had no prospect of being included in the Cabinet being formed.

Strikers in Poland Agree To Resumption of Talks

(Continued from Page 1)

throughout the country reported Mr. Gierk's concessions and the government shakeup. Strike leaders were identified by name for the first time.

In the party shakeup, the largest in a decade and one of the most dramatic in 36 years of rule by the Polish Communist Party, six members of the 14-man Politburo were dropped, three new members were appointed and there were 11 ministerial changes in the cabinet.

One Central Committee member who attended the six-hour session said, however, that Mr. Gierk's position was never directly threatened. "As a leader, he is known in a lot of countries of the world," the party member said. "You don't just drop someone like that overnight."

But many citizens seemed to feel that Mr. Gierk's position is in jeopardy and he has become the target of criticism for the first time. A spokeswoman in a bookstore called a customer to one side to discuss the crisis and offered the view that, "When a fish stinks, it starts in the head."

Soviet Endorsement

MOSCOW, Aug. 25 (UPI) — the Soviet Union today endorsed the Polish Communist Party's drastic measures to deal with the economic crisis set off by strikes along the Baltic.

"The strategic course has been determined which will allow correction of the situation," Tass said in a lengthy article on the unrest in Poland, and subsequent government shakeup, including replacement of the premier.

The article blamed the situation on mistakes in economic policy, but it echoed Polish party chief Edward Gierk's warning against moving away from the Socialist bloc.

The Socialist system is the stable base on which Poland can successfully move farther in all fields, including development of its economy," Tass said.

In Washington, State Department spokesman David Passage said while the United States is closely following events in Poland, it is not in a position to offer a judgment on events which have taken place this last week or an assessment thereof.

In Hamburg, West German

Chancellor Helmut Schmidt warned governments outside Poland against interference in the present labor unrest and urged caution in judgment of the tense situation.

The Tass article, given that it covered such a sensitive political question, could not have appeared without the approval of the top Soviet leaders. There was, however, no mention of free trade-union elections.

Admitting that Poland has met with difficult and sometimes very difficult problems, Tass said, "one does not have to be an economist in order to see that these difficulties can be overcome."

It charged the Western media with blowing the strikes in Gdansk and elsewhere out of proportion while ignoring nation and unemployment in the United States.

(Continued from Page 1)

has seemed more tolerant in the past of Polish liberalization in that Poland is hemmed in by East Germany and the Soviet Union, whereas Czechoslovakia borders on the West as well as Hungary.

Following Mr. Gomułka's taking power, despite his promises, it is clear that he was going to proceed much more cautiously than many in the West, and indeed in his homeland of Poland, had expected. He became loyal to the idea of a one-party system, with gradually tightened restrictions on the free speech and other gains that intellectuals had achieved in the ferment of 1956.

Mr. Gomułka's workers' councils, set up to meet the complaints of Poles, found themselves relegated to the role of grievance committees. But he allowed the free enterprise in agriculture to continue, and despite his growing conservatism, Warsaw through the years remained considerably more open and lively in the arts than anywhere else in Eastern Europe, with the exception of Prague in 1967-68.

Mr. Gierk has given every sign of being a cautious leader, aware of the continual problems of dealing with a highly volatile population that is the most fervent Roman Catholic of any in Europe, and which also is by history extremely anti-Russian.

To meet the aspirations of Poles, while at the same time remaining on good terms with the Kremlin, requires considerable diplomatic skill. When all the other questions are put aside, this one remains: Does Mr. Gierk have that skill?

Correction

The International Herald Tribune reported erroneously on Aug. 15 that accusations by Portuguese Communists and Socialists about the business dealings of Premier Francisco S. Carneiro were before the courts. In fact, the charges that are before the courts are allegations that Mr. S. Carneiro brought against the newspapers that questioned his business affairs, which the premier has insisted have been legal and correct.

2 Fired Officials Held in Bangui

BANGUI, Central African Republic, Aug. 25 (Reuters) — President David Dacko of the Central African Republic, who dismissed his vice president and his premier two days ago, has placed them under house arrest, informed sources said today.

Former Vice President Henri Maidou and former Premier Christian Bernard Ayadbo reportedly were being guarded by French troops, who have been a significant force in the country since the overthrow of Jean Bedel Bokassa last September.

Trade unionists considered the dismissal and arrest of Mr. Maidou as a political victory.

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GAO Hits Labor Department

U.S. Agency Faulted On Teamsters Probe

By Judith Miller

WASHINGTON, Aug. 25 (NYT) — The Labor Department's much-beset investigation of the Teamsters' Central States Pension Fund has been so poorly conducted that potential criminal cases have not been pursued, according to a report by the General Accounting Office.

The report by the congressional investigative agency also concludes that despite reforms negotiated by the government in March, 1977, to place the fund under professional and independent management, the trustees of the International Brotherhood of Teamsters' Union continue to exert control over a substantial part of the fund's assets.

The Chicago-based fund, formally known as the Central States Southeast and Southwest Areas Pension Fund, is the third-largest private pension fund in the United States, covering almost half a million workers in 33 states. Federal investigators have long alleged that it functions as a private bank available to organized crime, especially in granting questionable loans for real estate projects.

The 73-page GAO report, prepared for the Senate's permanent subcommittee on investigations, strongly criticizes the Labor Department for failing to coordinate its \$5.4-million, five-year-old investigation with the Justice Department and the Internal Revenue Service. The GAO recommends that the \$2 billion pension fund again be reorganized to remove assets from the control of the union trustees.

Senate Hearings

The report, which was made available to The New York Times, will be presented by Comptroller General Elmer Staats, in testimony before the subcommittee. The panel, headed by Sen. Sam Nunn, D-Ga., is opening three days of hearings today on the government's efforts to reform the fund.

The report, the most extensive review to date of the government's investigation of the fund, describes an effort riddled with deficiencies. It says, for example, that the Labor Department investigation was initially crippled by the decision to narrow its focus on the fund's real estate loans. This was in keeping with the department's major mission to protect and preserve the fund's assets, most of which were committed to such loans.

The report concludes that the investigation "ignored other areas of alleged abuse and mismanagement of the fund's operations by the former trustees and left unresolved questions of potential civil and criminal violations and alleged mismanagement raised by its own investigators."

Moreover, the special investigations staff set up by the Labor De-

partment conducted even its narrowly focused investigation poorly, the report says. For example, it notes that although the staff designated 82 of the fund's 500 real estate loans for scrutiny, investigators "had not obtained the records or completed investigation of all of the 82 loans" when the department completed its work.

Criminal Conduct

The GAO also asserts that Labor Department information on possible criminal conduct was sometimes not shared with the Justice Department. Of the 11 formal loans referred to the Justice Department for criminal indictments, only one was still under investigation.

"Justice officials told us that, over all, most of the information received from Labor had not been very useful for their criminal investigative efforts," the GAO report says.

It also says that the Labor Department failed to investigate "third parties" connected with the loans, despite a recommendation by the director of the agency's special investigative unit that depositions be taken from 80 third parties and that their records be subpoenaed.

Internal Memorandum

An internal Labor Department memorandum concluded in November, 1979, that "there is virtually no information available on the current financial operation of the fund." The memorandum says that despite pledges to Congress the Labor Department failed to keep track even of the size of the key benefits and administration account, which contains up to two-thirds of new money coming into the fund.

The report also states that the department failed to monitor the way the fund's new trustees were selected in 1977 and had until recently failed to pursue allegations of continuing impropriety.

Both the Labor Department and the Internal Revenue Service reinstituted investigations of the fund in April, the GAO report notes, but it adds that the original special investigations staff was abolished in May and that none of the original investigators will be involved in new efforts.

Crowd Watches As Man Is Slain In Central Park

NEW YORK, Aug. 25 (UPI) — More than 30 people watched a man being beaten and stabbed to death in New York's Central Park in broad daylight this morning without attempting to save him.

The assailant, who had a history of mental illness, tried to decapitate his victim with a piece of wire and stabbed him repeatedly with a piece of wood while 30 to 40 people watched from a safe distance.

"It's the worst thing I've seen in 12 years on the job," said Charles Irving, a Transit Authority officer who arrested the assailant. "There's strength in numbers. They could have thrown a rock or something."

The victim was believed to be a vagrant who slept in the park. It was reminiscent of the Kitty Genovese case in 1963 when three dozen people testified they heard the screams or witnessed her stabbing on the street without interfering.

In earlier settlements, CBS and NBC agreed to restrict their programming efforts if an agreement with ABC went into effect. Among other things, CBS and NBC agreed to produce no more than 2 1/2 hours weekly for prime evening hours for the next 10 years. The ABC settlement differs in that it relaxes the 2 1/2 hour ceiling on prime-time entertainment production after five years.

Refugees Elude U.S. Patrol Craft

MIAMI, Aug. 25 (UPI) — Although more than three months have passed since President Carter ordered an end to the seafaring of Cuban refugees, boats loaded with Cubans are still managing to slip by the Coast Guard blockade of the Florida Coast, the guard said Sunday.

Eighteen cutters have been assigned to the Florida Straits, at a cost of \$700,000 a day, to stop boats from running refugees from Mariel, Cuba, to Key West. But the refugees have continued to arrive in Key West on a fairly steady basis.

Two boats carrying 172 refugees arrived Saturday, raising the number of refugees who have reached Florida since the seafaring began April 21 to 120,569.

"It's not really hard for the boats to slip by," said a Coast Guard spokesman. "It's not like we're trying to block a road. We're trying to block a whole sea and many slide by us at night."



PROTECTIVE COAT — Jean-Louis Lachèvre of the Boston Museum of Fine Arts applies industrial sealer to Cyrus Dallin's 1908 statue "Appeal of the Great Spirit." Museum officials hope to curb the deterioration of the bronze work, much of it caused by air pollution.

Tactics at Issue in U.S. Abscam Trial

Watching the Crime on Courtroom TV

By Charles R. Babcock

BROOKLYN, N.Y., Aug. 25 (WP) — For the last two weeks a tense television drama has been played out for jurors and spectators in a Brooklyn courtroom.

There on the TV monitors was the taped likeness of one of the defendants, Rep. Michael Myers, 37, D-Pa., complaining that he had received only \$15,000 of a \$50,000 bribe he had been promised.

Confronting two FBI agents who were posing as representatives of an Arab businessman, Mr. Myers demanded the other \$35,000 and agreed to use his influence with other members of Congress, the Philadelphia City Council, and even the Mafia — for an additional \$50,000 payoff.

The secretly taped 90-minute session was shown Friday in the courtroom where Mr. Myers and three co-defendants are being tried on bribery and conspiracy charges.

According to the federal prosecutors, Mr. Myers took a \$50,000 bribe, provided by an FBI undercover agent, to introduce special immigration legislation on behalf of the Arab sheikh. He allegedly kept \$15,000, split the other \$35,000 with the co-defendants — reputedly middlemen in the bribery scheme — and then complained that he had not received the full \$50,000 he had been promised.

Defense attorneys have been forced to concede that Mr. Myers and his co-defendants split the \$50,000. "How do you cross-examine a tape?" asked one with a shrug.

Government's Conduct

So they have tried to focus the jury's attention on the alleged misdeeds of government agents, especially Melvin Weinberg, a convicted felon who somehow succeeded in passing himself off as a financial wizard despite sentences that don't parse and a business card that said he had connections in "Zutick."

The jury will have to weigh Mr. Weinberg's antics against the evidence they have seen on the television screen, and the testimony so far does raise nagging questions about the bigger issue of how far the government may, or should, go in dangling bait in front of public officials.

Defendants in all the Abscam (Arab scam) cases, in which government agents encouraged members of Congress to take bribes, have ar-

gued that the government overreached by creating crimes, and thus deprived the congressmen of "due process of law."

William Webster, director of the FBI, and Philip Heymann, head of the criminal division at the Justice Department, have defended the techniques used in the Abscam investigation. In testimony before Congress early this year they said activities of the agents were monitored closely.

But the evolution of the Abscam operation also seems to show that the FBI did quite a bit of on-the-job training in the early days. For example:

• FBI agent Anthony Amoroso Jr. testified that he first broached the subject of immigration help for the Arab sheikh with one of the defendants, Angelo Errichetti, mayor of Camden, N.J., in a conversation on the sheikh's yacht in Florida in March, 1979. He said he did so casually after reading a newspaper story about the possible immigration problems of a Nicaraguan leader Anastasio Somoza.

According to trial testimony, Mr. Errichetti and another defendant, attorney Howard Criden, soon were saying they could influence members of Congress to take care of the sheikh's immigration problems. Future policy makers may ask whether the investigation just drifted into this area or whether the FBI was fishing for congressmen by bringing up the question of immigration before it had any evidence a crime had been committed.

• In an attempt to show that the undercover informant "set up" the defendants, the defense played an audio tape that purportedly shows Mr. Weinberg preparing Sen. Harrison Williams Jr., D-N.J., for a meeting with the sheikh.

In the Philadelphia phase of the investigation, the FBI refused to use Mr. Weinberg — apparently after seeing and hearing him on previous tapes — and undercover agent Michael Wald did a masterful acting job as the sheikh's expediter.

It might be asked why — given the lack of control — the FBI used Mr. Weinberg at all, once the investigation turned to the extremely sensitive area of possible corruption in Congress.

• In a videotape played at the trial, in which agent Amoroso hands Mr. Myers an envelope containing \$50,000 in \$100 bills, the undercover agent tries to make it

clear to the congressman that the promise of the immigration bill is the reason "we're putting up this kind of money."

He also tells Mr. Myers he's interested in "protecting" him, but he never quite says the transaction they are discussing is illegal. In testimony before a House Judiciary subcommittee on March 4, Mr. Webster said that as an extra precaution his agents made it clear to Abscam targets that the conduct they were embarking upon was criminal.

The Justice Department is working on guidelines that will require that when a proposed transaction is illegal, the undercover agents make it unequivocally clear that this is so. Future policy makers may have a hard time deciding just how much warning a possibly corrupt official should receive.

In the first higher-court ruling on the legal aspects of Abscam, U.S. Circuit Court Judge Joo Newman said the operation "inevitably raises sensitive issues of public policy and public law."

He wrote: "If agents of the government can confront members of Congress with manufactured opportunities to accept bribes, there is created the risk that malevolent officials of the executive branch will one day select as targets for a bribery sting particular senators or representatives in political disfavor with the president."

He added, however, that such targets can always say no.

Includes Relief for Overseas Americans

U.S. Senate Panel Approves Tax-Cut Bill

By Robert C. Siner

WASHINGTON, Aug. 25 (IHT) — The Senate Finance Committee has approved a \$39-billion tax-cut bill that includes substantial tax relief for some Americans overseas.

But the Senate Budget Committee, trying to slow the Finance Committee's rush toward a pre-election tax cut, refused Thursday on a straight party-line vote to include a tax cut in drafting its final budget resolution for fiscal 1981.

The Budget Committee approved a \$633-billion spending plan that has nearly \$20 billion more in outlays than Congress planned in June in its first budget plan. The new proposal forecasts a deficit of \$17.9 billion, formally dashing hopes for the \$200-million surplus that Congress anticipated in June before it had to reckon with the impact of the recession in siphoning off revenues and adding to governmental costs.

The spending increases in the new budget include \$5.7 billion for defense and about \$8.9 billion for unemployment costs and other forms of income security, with economic conditions rather than program expansion causing most of the increase.

Sen. Ernest Hollings, D-S.C., chairman of the Budget Committee, conceded that the budget resolution will have to be amended to incorporate a tax cut if the Finance Committee's tax bill gets to the floor first and wins approval. But if the budget resolution wins the race and is approved without change, a tax cut would not be practical this year, he said.

Three Categories

By a 17 to 1 vote, the Senate Finance Committee adopted a proposal by committee chairman Russell Long, D-La., which in effect divides Americans working abroad into three categories: Those living in underdeveloped nations; those living in developed nations and doing "export-related" work; and those living in developed nations whose work is not export-related.

Under the language offered by the Louisiana Democrat, Americans in the first two categories would be allowed a \$50,000 earned income exclusion (rising to \$65,000 for those abroad three years or more). They would also be allowed a special deduction for housing costs above 16 percent of a \$34,000 base salary. In addition, the residency requirement would be reduced to 11 out of 12 months from the current 17 of 18 months.

Americans living in developed nations whose work is not export-related would be denied the income exclusion and would have to use the current Section 913 special deductions for housing, education, cost-of-living, hardship area and home leave.

The list of developed nations has not yet been drawn up but committee members said that the member countries of the Organization for Economic Cooperation and Development and the countries considered to be tax havens would all be included.

Export-related income was defined as that received for "the performance abroad of export-related services or from an employer (including a branch) whose income is derived from the export of American products or services relating to exports."

In practice this would include:

- Those working overseas for U.S. construction, engineering, architectural or repair firms; those involved in exploration for or extraction of petroleum and other natural resources; and financing, charity and educational services.

- Those Americans abroad involved in services connected to the export of U.S. products such as marketing and market analysis, advertising and promotional activities, sales and distribution services, packaging and assembly, warehousing, documentation and customs clearance.

- Any other services performed abroad which are designated by the Secretary of the Treasury, after consultation with the Secretary of Commerce and the Special Trade Representative, as contributing significantly to U.S. exports.

Small Part

Committee staffers and Treasury officials estimated that some 75 percent of those Americans who now file under Sections 911 and 913 would be covered by the committee proposal.

Overseas tax relief was only a small part of the major tax cut package rushed through in only three days of hearings after committee Republicans agreed not to oppose most of the provisions offered by the Democratic majority.

Included in the legislation was:

- A section simplifying and speeding up depreciation rules to allow businesses to write off their purchases of new equipment about 40 percent faster than under current law.

- An increase in the percentage of capital gains that taxpayers may deduct from their gross income from 60 to 70 percent. For businesses the alternative capital gains tax rate would be cut from 28 to 20 percent.

- An increase in the personal exemption from \$1,000 to \$1,100.
- An increase of \$100 in the so-called zero bracket amount, below which income is not taxed, to \$2,400 for single people and \$3,600 for couples filing jointly.

- A reduction in the so-called marriage penalty by giving a tax

credit on the income of the lower-paid spouse.

- A general rate reduction, cutting the tax rates in almost all income brackets.

- A package of tax cuts aimed at small businesses; a tax credit to encourage research and development; and tax breaks for businesses setting up employee stock ownership plans and taxpayers setting up individual retirement accounts.

The entire package was passed on a 19 to 1 vote with only Sen. Bob Packwood, R-Ore., opposing it. The measure was then attached to an unrelated House-passed bill.

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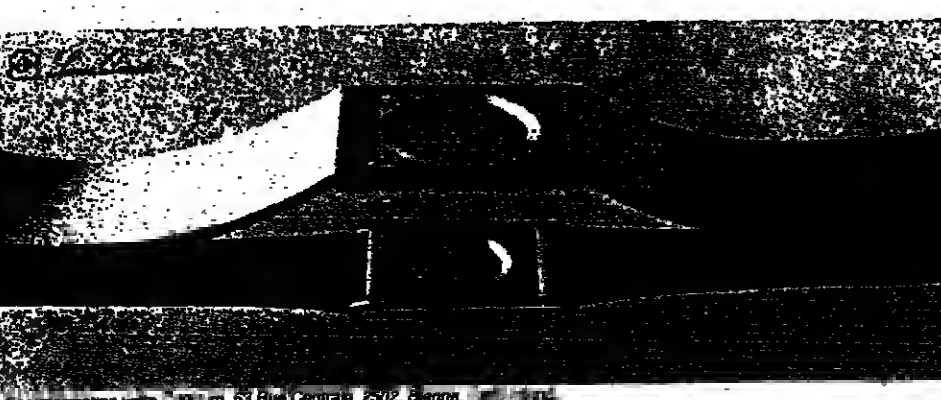


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Posthumous Rehabilitation

A Fallen Sukarno Returns to Pedestal

By Kenneth L. Whiting

JAKARTA (AP) — Ten years after dying, discredited and under house arrest, the late President Sukarno is back on a pedestal as co-founder of the 35-year-old Republic of Indonesia.

President Suharto, who eased his predecessor from power, recently attended the dedication of statues of Sukarno and the late Vice President Mohammad Hatta at the site where they declared Indonesian independence on Aug. 17, 1945.

Hatta died in March at 78, a revered elder statesman. Sukarno — who, like many Javanese, had only one name and was known to Indonesians as Bung (brother) Karno — was rarely mentioned favorably in official circles after his death at 69 on June 21, 1970.

One-Time Hero
The 14.7-foot statue of Sukarno was the latest step in the 28-month posthumous rehabilitation of one of Southeast Asia's most controversial leaders — an anti-colonialist, a revolutionary, a man of mercurial temperament.

The reckless economic policies of Sukarno, who was once a hero for his vision of a unified and independent Indonesia, put the country on the brink of bankruptcy by the time he died.

He was accused of complicity in a Communist coup attempt in 1965 in which six leading army generals were slain. Several military tribunals heard testimony that Sukarno knew in advance of the attempted coup, but did nothing to prevent it. Opponents also deplored his demagoguery, his hedonism and his tilt toward the now-banned Communist Party.

Popular interest in Sukarno re-emerged after the government decided in 1978 to build an elaborate tomb to replace his simple grave, which was protected only by a faded yellow parol.

Newspapers that rarely mentioned his name felt again free to publish stories about Sukarno, and portraits went on sale. He is now a heroic figure on calendars, and some of his written works are back in circulation, among them "Under the Banner of Revolution," which had been banned for more than 10 years.

Mausoleum
About 50,000 attended the June 21, 1979 dedication of the tomb, including President Suharto and his Cabinet. Officials said the equivalent of \$864,000 was spent on the mausoleum at Bilitir in East Java.

The compound includes a marble, glass and stainless steel mosque and burial chamber for Sukarno and his parents. Hundreds of other graves were moved to make space for a parking lot.

Plans for Sukarno's lavish tomb followed disclosures that an even more expensive mausoleum had been built by President Suharto's family.

President Suharto, the general who crushed the 1965 coup attempt, stripped Sukarno of power six months later and refused to allow him to be buried at Kalibata Heroes Cemetery in Jakarta. The fallen leader was given a state funeral, but with little pomp.

Jungle Struggle
After founding a political party in 1927, Sukarno rose quickly to prominence as a nationalist. The Dutch colonial authorities jailed him for two years in 1929 and in the early 1930s banished him to eight years of exile in the outer islands. He was freed when Japan invaded the Dutch East Indies, and some accounts suggest he was a collaborator.

Following Japan's defeat in 1945, Sukarno and Hatta joined forces to declare a republic, and took to the jungle for a four-year struggle. He was captured again and exiled in

1948, but by that time his struggle had stirred world opinion and brought the issue before the United Nations.

In 1949, he was freed and later that year the Dutch relinquished power to a government headed by Sukarno.

Sukarno's move toward giving the Communists a greater role in policy-making generated new controversy in the early 1960s, arousing the ire of both civilian and military resistance. He survived at least five assassination attempts before he was finally stripped of power.

More Than Nostalgia
His rehabilitation reflects more than simple nostalgia. Both supporters and foes of the strict Suharto administration seem eager to capitalize on Sukarno. Some of his disciples are still active in the Indonesian Democratic Party, a five-party grouping including one that Sukarno founded.

Cultural Purge Is Added To Political One in Seoul

By William Chapman

SEOUL, Aug. 25 (WP) — Television dramas that have suggestive themes are frowned on. So is too much golf.

Both of these are elements of a thorough cultural housecleaning being pressed with puritanical zeal in South Korea by government edict or encouragement.

Coupled with the widespread purges of politicians and high government officials, the cultural crackdown is bringing vast changes in the life of South Koreans, who have known censorship and guided scholarship most of their lives but have never faced anything quite so sweeping.

Much of the housecleaning is anti-Western in tone, devoted to weeding out foreign influences and replacing them with native ones.

"Scholars in Korea are using too many quotations from foreign sources and are reluctant to use good sources of our own," Prof. Lee Sang-chu of Seoul National University said on a television panel show prepared under government auspices. "We must get out of the trend of depending on foreign powers."

Military Committee
The cultural purification campaign is traceable to the country's military-backed Special Committee for National Security Measures, which has run the country since May. Its edicts have resulted in the arrests of thousands of politicians and office-holders and the temporary confinement in education camps of more than 30,000 small-time hoodlums and gangsters.

Those arrests have been followed by the major cultural changes, supposedly enacted voluntarily by organizations in the mass media, publishing, education and other fields. Even popular singers are not immune. A group of them recently resolved at a "purification rally" that entertainers would take the lead "in creating a bright society in a bright era."

Culture and Information Minister Lee Kwang Pyo described the dismissal of thousands of government employees and some of the cultural changes as a necessary reformation of a society that has suffered increasing "corruption" in recent years.

"We need a housecleaning operation to prepare for the new order," Mr. Lee said in an interview.

Television stations had been showing too many Western imports, such as serial dramas and space movies, he said, and producers had



Sukarno

The party has fared poorly in recent elections and some observers say the government hopes to bolster it to offset Muslim opposition factions. Others suggest that pro-Sukarno sentiment thrives among those who are simply bored by President Suharto's low-key leadership.

Most analysts agree, however, that the government would never let public acclaim for Sukarno run wild in a country where praise of the past is sometimes seen as criticism of the present.

India's Moslems Vulnerable in Peace, War

By Michael T. Kaufman

NEW DELHI, Aug. 25 (NYT) — Like a recurring malignancy, fighting between Hindus and Moslems spread quickly last week through Northern India, leaving a wake of suspicion and once again scarring the national ideal of a secular state.

Like the Sepoy rebellion of 1857, it began with a rumor about pigs. Just as credulous Moslem troops were set against the British then by being told that newly issued cartridges were wrapped in lard, so Moslem worshippers in the northern city of Moradabad a fortnight ago were told that police were permitting pigs to graze on, and thus defile, a prayer ground outside a mosque.

The crowd turned its fury on the police, who fired. The rage of the mob grew to take in Hindu shops. The Hindus banded together for protection. The line between offense and defense became blurred and as fears were fueled by rumors and reports, the trouble spread until, ultimately, almost everywhere, the Indian nation was to some extent cleaved and polarized into mutually suspicious religious communities.

Death Toll

By the time the disorders abated and curfews were being withdrawn, the nationwide death toll was near 150. Thousands were injured and hundreds of shops were looted and burned. And India's Moslem minority was exposed as still highly vulnerable and insecure despite the 35-year-old commitment of India's leaders to secular development.

As in most instances of Indian communal rioting and fighting, most of the dead appeared to be Moslems. Like the South African blacks of Soweto and weaker groups everywhere, India's

Moslems are most vulnerable in times of clash and fury. And like others suffering discrimination, they seem to be more often victimized in times of calm as well. In India, Moslems are poorer, less educated, less healthy than the national average. They suffer more unemployment than Hindus and are underrepresented in the armed services and the police.

Both the problems of Moslems in India and India's Moslem problem derive from the anomalous position Moslems have occupied since the subcontinent was partitioned into Islamic Pakistan and professedly secular, but overwhelmingly Hindu, India. With 70 million Moslems, India has the world's fourth largest Islamic population, behind Indonesia, Bangladesh and Pakistan. Yet, Moslems form a minority of less than 12 percent in India (population, 653 million in 1979).

There is also the contradiction implicit for an underprivileged minority — defined by religion — in a country committed to social justice and secularism. The state supports affirmative action programs for deprived low-caste people and tribal members. But such scholarships and reserved government jobs are not open to poor Moslems, classed as members of a religious group, not a social category.

In political terms, India's Moslems have had severely limited options. Confrontation politics tend to be counterproductive for so relatively small a minority, except in localities where Moslems are highly concentrated. And even in those cases, there is serious risk of setting off a backlash in other areas. As for joining in coalition with other groups, there is the fear of being swamped by the majority.

Essentially, the Moslems' predicament remains a consequence of

partition. Many of them see their community as a remnant, left behind when better-off, better-educated Moslems joined their co-religionists in Pakistan or what is now Bangladesh. The Hindu majority often perceives Moslems against the backdrop of deep mistrust of Pakistan, which has three times erupted into war.

In light of these experiences there is widespread suspicion of Moslems as a potential fifth column. Yes, they are citizens and some have been war heroes, Supreme Court judges, Air Force commanders: Moslems have even served as president and vice president. Still, in casual conversations, Hindus of all backgrounds often express the view that "they" have to be watched.

There are striking, if somewhat superficial, similarities between the way India and Israel treat their respective Islamic communities. Both states were born in partition. Both are bordered by Islamic countries with whom wars have been fought and won. Both are democracies that have extended political rights to their Moslem minorities. Both have fundamentalist parties among their Jewish and Hindu majorities that are challenging secular politics. The West Bank Arab who bridges under Israeli control has his counterpart in the Kashmiri Moslem militant who claims to be living under Indian military occupation.

Of course, these surface similarities give way to appreciable differences. For one, India, which has strongly backed the Palestinian cause, has generally good relations with Islamic states, despite continuing tensions with Pakistan. For another, Moslems have entered the highest levels of Indian bureaucracy, politics, the military and business. Finally, the leaders of India are committed to secularism and have so far successfully resisted groups like the Rashtriya Swayamsevak Sangh who believe in a Hindu raj.

However, in India as in Israel, domestic policies affect foreign relations with neighbors and vice versa. When the clashes between Moslems and police erupted in northern India, Pakistani newspapers expressed alarm at "massacres." Tensions increased. Some Indian politicians were pointing to support being funneled to local Islamic groups from wealthy Arab states. Some argued that the disorders were provoked by Moslem militants who want to regain control over voters who supported Mrs. Indira Gandhi and her integrationist party.

In Kashmir last week, Sheikh Muhammad Abdullah, the 72-year-old chief minister of the state, who once spent 11 years in prison for demanding self-determination for Kashmir, said in an interview that the only solution to India's strains over Moslem policy was to expand opportunities for the Islamic community, to increase its vested interest in keeping the peace and enhancing prosperity.

"We must augment the good things that have already been done to raise economic conditions so that Moslems will feel they are a real part of the nation," the Sheikh said. Essentially this was the same strategy offered by liberals for dealing with the demands of American blacks, expressed again by the backdrop of riots in the 1960s. But in India, the pie of available benefits is much smaller than in the United States and then, too, there are so many more claimants.

Official Urges Court Meddling Cease in China

PEKING, Aug. 25 (UPI) — Supreme Court President Jiang Hua has urged the Communist Party to stop meddling with the law courts, the party newspaper People's Daily reported today.

Mr. Jiang told a recent meeting that justice should be carried out according to laws passed early this year and "the party's judgement on legal cases should be abolished."

He said the hands-off call was in accordance with an earlier directive by the party's Central Committee, which would be "a major reform" when fully implemented.

"It will change the party's habit of taking over the job of the judiciary and help overcome the shortcomings of the party replacing the government and the spoken word replacing the law," Mr. Jiang said.

ASEAN Talks Weigh Cambodia Situation

MANILA, Aug. 25 (UPI) — The Association of Southeast Asian Nations opened talks today on Vietnam's rejection of ASEAN's proposal to create refugee zones in Cambodia supervised by the United Nations.

The three-day meeting is attended by senior officials from ASEAN member states — the Philippines, Indonesia, Singapore, Malaysia and Thailand. A foreign office spokesman said the meeting also will hear a report from UN Secretary-General Kurt Waldheim on his recent discussions in Hanoi in keeping the UN seat of the Cambodian government of Pol Pot, ousted by the Vietnamese-backed Heng Samrin regime.



LONDON STROLL — London bobby, Andy Hawkins, gets in the spirit of the Notting Hill Carnival as he parades with two young dancers along one of the carnival streets.

New Wave of Narcotics Sweeping Out of Turkey

By Loren Jenkins

ANKARA (WP) — To the anger of Turkish officials, a new wave of illicit narcotics is sweeping out of Turkey to nurture the habits of addicts in the United States and Western Europe.

Unlike the situation of the past, when Turkey's own opium fields accounted for much of the heroin reaching the West, the narcotics this time are not homegrown.

Instead, Turkey is acting as a transit point for an unprecedented amount of traffic from the East. It flows across the hard-to-patrol Turkish mountains from a region narcotics agents have dubbed "the golden crescent," an arc of loosely governed land that stretches from Iran through Afghanistan to western Pakistan.

What has alarmed international narcotics agents is that the production — and assumed traffic — from the "crescent" is of a magnitude never before encountered.

Bigger Than Triangle
The drug production makes the infamous crops of the "golden triangle" on the border of Burma, Thailand and China seem like a backyard victory garden by comparison. It dwarfs the "French connection" of 10 years ago, which was led by Turkish poppies until the Ankara government, stung by international opinion and diplomatic arm-twisting, agreed to a program of opium control that has guaranteed that Turkey's production would serve only the legal pharmaceutical trade.

Western narcotics experts say that, because of the general lack of government authority in the traditional growing areas of the "crescent" countries, production has gone wild. They estimate that for the past several years the three nations have been producing more than 3.2 million pounds a year of opium gum, the brown narcotic-laden sap bled from the opium poppy bulb.

Since it takes more than 11 pounds of gum to manufacture about one pound of morphine base or, later, heroin, that means that the "golden crescent" is capable of dumping more than 300,000 pounds of heroin a year on world markets.

By comparison, experts say, the estimated annual heroin consumption of the 400,000 addicts in the United States is just under 9,000 pounds a year.

"We have never been faced with a situation like this before," said one Western official. "We have never had to contend with such a large uncontrolled production in any one area in the past."

The experts say that once the raw opium is harvested it is transported by backpack, mule, horse or four-wheel drive vehicles to the Turkish border with Iran. It is then smuggled through the mountains to buyers in eastern Turkey, many of whom run their own primitive labs to break down the gum into more easily transportable morphine base or heroin.

The drug buyers are free-enterprise amateurs or professionals working for organized crime groups abroad. The drugs are then shipped through Ankara and Istanbul by air.

available means — international trains and truck trailers through the Balkans, freighters to the Italian or French coasts, or by paid couriers, among the more than one million Turkish workers living in Western Europe.

Narcotics officials so far have managed to make only a dent in the trade. Turkey's own understaffed drug police have intercepted about 220 pounds of heroin since the beginning of the year and have uncovered dozens of transformation labs in the eastern provinces.

Four months ago, about 170 pounds were found in plastic bags in the bowels of a trailer truck in Yugoslavia on its way from Istanbul to Frankfurt. A further 83 pounds were found on a ship docking at Trieste. And Western European narcotics agents have recently managed to close down five sophisticated labs in Italy that were using morphine base brought in from Turkey to make heroin for shipment to the United States.

"Narcotics experts fear that the dismantled 'French connection' has been reconstituted into a much larger and more complex operation. Chemical bases have indicated that in many U.S. cities up to 50 percent of the heroin intercepted is traceable to the 'crescent,'" said one Western official.

Turkish officials are extremely sensitive to publicity about the problem. They had hoped to escape their reputation as the world's narcotics connection when they suspended opium growing in 1972. Although it was resumed two years later, the government placed all crops under rigid licensing and enforcement controls.

Western officials are full of praise for the efforts of the Turkish government and its narcotics police in fighting the heroin trade. But they say that, given the nation's economic crisis and its pressing need to fight terrorism and the government's means are limited even if it wills it.

"You cannot fight narcotics successfully without a concerted program of international cooperation, both to curb production and to enforce punishment of violations," said one Western diplomat. "With the political instability reigning the way it does to the east of here, it is difficult to be very hopeful."

Nun Charges Church With 'Sin of Sexism'

PHILADELPHIA, Aug. 25 (UPI) — Sister Theresa Kane, who stood before Pope John Paul II last week in Washington and publicly asked him to allow women to become priests, told a national organization of nuns yesterday that the church is committing "the sin of sexism."

Some 600 nuns, who are leaders of 128,000 U.S. Catholic sisters, greeted Sister Theresa's remarks with a standing ovation at the meeting of the Leadership Conference of Women Religious. "The exclusion of women from the church as a system is a root evil and a social sin which must be eradicated if women are to be engaged in the institutional church," said Sister Theresa.

Michigan Church's Rival Psalms Make More Than a Joyful Noise

MOUNT CLEMENS, Mich., Aug. 25 (UPI) — It took five police officers to separate fighting parishioners at yesterday's service of the Greater Morning Star Baptist Church.

About half the congregation backs the Rev. Nathaniel Calhoun while others prefer the Rev. Clarence Bollock to replace him as pastor.

Yesterday the two contestants each took a microphone and began simultaneous services. Mr. Calhoun led his worshippers in reading one Psalm, while the Bollock camp read another, loudly.

Then the moment arrived when the Psalms seemed to be lacking in the kind of language the situation demanded. Police said at least 30 persons were fighting when they arrived.

No serious injuries were reported and no arrests were made. The feud began last December when a number of members questioned the method by which Mr. Calhoun was elected. They said more than 60 absentee votes were cast by inactive members.

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Obituaries

Gabriel Gonzalez Videla, Former President of Chile

SANTIAGO, Aug. 25 (UPI) — Gabriel Gonzalez Videla, 81, the president of Chile from 1946 to 1952, died Friday.

Mr. Gonzalez was a member of the Radical Party, a centrist group that was dominant in Chile in the 1940s. He was a former parliamentary deputy and ambassador to France, Belgium, Portugal and Brazil.

At the time of his death, Mr. Gonzalez was a member of the Council of State that advises the military junta and President Augusto Pinochet.

Roy R. Yerger
NEW YORK, Aug. 25 (NYT) — Roy R. Yerger, 72, a former assistant managing editor of the International Herald Tribune, died of heart disease Thursday in Yuma, Ariz., where he had lived for the past two years.

Mr. Yerger was born in Rochester, N.Y., and graduated from the University of Rochester in 1928. He then joined the staff of the Rochester Times-Union and later became its news editor.

Fritz Boehler
ZURICH, Aug. 25 (AP) — Fritz Boehler, 71, the Alpine rescue expert whose Swiss Air Rescue service became a model in the field, died Friday after a heart attack. Mr. Boehler also founded Switzerland's first ski school in 1934.

Ivan Ganchev Vachkov
VIENNA, Aug. 25 (Reuters) — Ivan Ganchev Vachkov, 60, Bulgaria's chief prosecutor, died Saturday.

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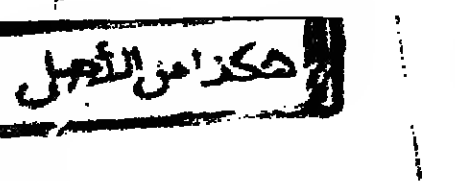
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Waverley Root

The Onion: A Few Unkind Cuts and other Pungent Parings

PARIS — In 1929, Brother Francis Thomas, shopping for groceries in the market of Le Havre, noticed that some onions on display there were "outgoing." Like Saul on the road to Damascus, he was struck with a blinding revelation: The onion is immortal and hence divine. Abandoning his former, intermittently exercised professions — cookman, photographer, accountant — he devoted himself to spreading the gospel. Onion growers, he observed, broke down the central stalk of the onion plant when its bulb was fully formed; prevented from wasting its substance to produce seeds, the bulb grew larger in the ground. "Forbidden to have children," Brother Thomas put it, "the onion becomes a child again itself."

He construed this beneficial violence practiced on the onion as equivalent to castration in man, and preached the doctrine that men would become immortal through castration. He died 35 years later, having neglected to ensure his own immortality. ("I am not pure enough," he said), but his sect by then had proved so attractive as to number 4,000 converts in France, including a schismatic branch of onion worshippers that sprang up in Cannes. Apparently no member of either group has yet felt pure enough to take the necessary step to confront immortality.

Brother Thomas almost certainly did not know it, but the tumescence behavior of the onion had already, three centuries earlier, inspired Thomas Hooker, the Puritan preacher who helped found Hartford, Conn., in 1636, to compare the resurrected body to "a great onion, which, hung on the wall, grows larger, not because anything is added, but because it spreads itself further; so then there shall be no new body, but the same substance enlarged and created."

It is curious that both Thomases should have hit upon the onion to symbolize resurrection and immortality, for its origin is diabolic. They were probably ignorant of this; the ancient legend that so informs us originated, I believe, in Turkey. When Satan was cast out of heaven, garlic sprouted wherever he put down his left foot, and onions wherever he put down his right. This no doubt accounts for the onion's sulphuric content and for its insistence on wringing tears from human eyes.

Diabolic in origin or not, the tears evoked by onions arise from an earthly chemical reaction. Shakespeare was unacquainted with modern chemistry, but he recognized the superficial nature of onion-provoked tears and made light of them.

Brimestone Fumes

The tears drawn from us by the onion are caused by one of its volatile components, sulphate of allyl, which irritates the eyes (and also makes raw onions difficult to digest for some persons), especially when you cut or peel the vegetable, releasing its pungent fumes. As most housewives know, this inconvenience can be sidestepped by operating on the onion while holding it under a running faucet, though this

method can have its inconveniences too, such as a sleeveful of water. Once cooked, the onion becomes harmless to the eye and the digestion. The Breton town of Yffiniac, renowned for its onions, claims that its variety does not make the eyes water, but persons not resident in Yffiniac testify otherwise.

The Maui onion of Hawaii apparently does not bring tears to the eyes, a curious lack in a vegetable grown on the slopes of a volcano. The Maui onion, however, was not brought up on a volcano; it was

brought up in Texas. I owe this information to Frederick Simpich Jr., of Kula, Maui, who, after reading a previous article of mine on onions, wrote: "This is, in fact, the hot, Texas onion known as granex, both yellow and white. However, when planted on the slopes of Maui's volcanic Haleakala it loses its heat and becomes so benign that it can be eaten as a fruit. . . . Few leave the islands except to fill special orders placed by such mainland cognoscenti as Trader Vic and Frank Sinatra. The latter buys them by the

bushel." A second reader confirmed this, identifying the onion more precisely as the Granex F hybrid.

We are dealing with a more essential attribute of the onion than its ability to force tears when we face its odor, which did not escape the attention of Shakespeare either. "Eat no onion nor garlic," he has Bottom admonish his fellow players in "A Midsummer Night's Dream," "for we are to utter sweet breath."

The odor of the onion is also reduced by cooking, when, indeed, the flavor it adds to dishes is delicious. Dean Swift immortalized this phenomenon: *There is in every cook's opinion, No savory dish without an onion: But less your kissing should be spoiled, The onion must be thoroughly boiled.*

American cowboys considered the onion an indispensable ingredient of son-of-a-bitch stew despite their favorite name for it — "skunk egg."

Others are, or were, more finicky. When the ancient Aryans invaded India, they allowed their conquered inferiors to eat what they liked, but forbade members of their own more refined race to join them in eating onions, an unworthy vegetable. This rule may have been relaxed for those who ate them out of smelling range, for the Chinese traveler Hsuan-Chuang reported that Aryans could eat onions — outside city limits.

One gathers that Plautus was not enamored of the odor of onions, since he remarked sourly of an actor who performed in one of his plays that he was "a o'er-do-well who stank of onions worse than all

the convicts of the Roman galleys." Athenaeus warned that "one must set bounds to much eating, especially of such things as have anything glutinous or sticky about them; as, for instance, eggs, onions, calves' feet, snails. . . . for they remain in the stomach a long time, and form a lump there."

There is a way out for those who like the onion's taste but abhor its smell, confided in an old jingle: *If Leekes you like, but do their smell dis-look, Eat Onions, and you shall not smell the Leekes; If you of Onions would the scent expell, Eat Garlicke, that you shall drown the Onions smell.*

The onion has other strengths besides its fragrance that affirm its magical nature. It will help you predict the weather: If onions have more or thicker skins than usual, it is a sign, country folk will tell you, that the winter will be cold. You may also be told that warts will disappear if rubbed with onions.

Toward the end of the 14th century the anonymous author of the "Ménagier de Paris" offered two bits of practical information concerning onions. "Take raw red onions," says one of them, "and pound them and press out the juice in a bowl and put it where flies foregather and all those which taste it will die." The other helpful hint for housewives concerns the management of the family falcons: "Any-one who wants to make them obey had better not eat garlic, onions, or leeks." Falcons can't abide them.

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Hampstead vs. the Big Mac

All That Litters Is Not Golden

By William Borders

LONDON (NYT) — Residents of Hampstead, one of London's most fashionable neighborhoods, have banded together to fight what they see as a dangerous threat to the character of their pleasant little main street — a plan to open a McDonald's restaurant.

"Mind you, I've nothing against hamburgers, or Americans either for that matter," said Sybil Wilson, as she signed a petition against McDonald's during a demonstration outside the empty Hampstead store that the hamburger chain hopes to occupy.

"But for people who like McDonald's, there are already two of their shops not far from here. Must we turn all of Britain into an American junk food emporium?"

Particularly Well-Preserved

Hampstead, which is north of Regent's Park, is a particularly well-preserved community with a rich literary heritage, and its residents pride themselves on being intellectual and articulate, which is probably why their protest has been rather effective.

With several thousand signatures on petitions, and several hundred formal objections filed at the town hall, they have already delayed a planning permit for the restaurant, which would be just up the hill from the garden in which John Keats wrote "To a Nightingale" while sitting under a plum tree one fine spring morning in 1819.

The campaign to contain McDonald's, which has opened 43 shops in and around London in the past six years, reflects a widespread British concern about the American cultural influence, a concern that is evident in many areas.

Television, for example, is so apt to be dominated by shows like "Dallas" and "The Streets of San Francisco" that the British Broadcasting Corp. has imposed a 15-percent limit on the amount of air time devoted to foreign programs.

There was another example the other day in The Times, which carried a thoughtful column deploring the recent tendency to use the word "though" in place of "however," a habit that it said was "creeping in from across the Atlantic."

The incursion of U.S. fast-food shops into Britain has been particularly dramatic since the mid-1970s, with McDonald's now opening them at the rate of 14 a year. Kentucky Fried Chicken, which started the trend 15 years ago, now has 300 outlets across the country, including 55 that have opened in the past two years alone.

Burger King and Tennessee Pancake House are also expanding fast. And one of the most successful of them all is the year-old Chicago Pizza Pie Factory, a vast and lively place on stately Hanover Square that displays Chicago photographs and posters on the walls, plays taped music from a Chicago radio station and calls its Bloody Marys "St. Valentine's Day Massacres."

A McDonald's spokesman declined to estimate the volume of its British business, beyond saying that it was very good, but most of the shops around town seem to be full a good part of the time.

One reason for the success of the fast-food chains apparently has been, as in the United States, that inflation has made eating in traditional restaurants so expensive. But the U.S. chains, which sell the same products in Britain as at home, are not cheap: A Big Mac costs about \$1.90, a milkshake 90 cents. The debris is the same as in the States, too. In Hampstead recently, demonstrators displayed on a string some of the trash from a nearby McDonald's — tan plastic boxes that hamburgers were served in, red cardboard french-fry containers decorated with golden arches — under a sign that said, "Hampstead does not want McDonald's or their litter."

The petitions on the table nearby were signed by as many as half the people who passed.

Using some of the artistic talents that are not difficult to find in Hampstead, the anti-hamburger forces organized two protest concerts this month. For the occasion, one of the organizers, a composer named Farren Gainer, wrote a special protest song called "The Invasion has Begun":

One day upon the horizon, nothing but Golden Arches in the sky
One day upon the horizon, with litter piled a mile high
And it's happening everywhere.

Lodgings Bringing B&B to U.S.

By Frances MacLean

WASHINGTON (WP) — A private guest house overlooking the Atlantic Ocean and a heated pool near Los Angeles. A three-story town house tucked among the embassies in Washington, D.C., fully restored turn-of-the-century greystone in Chicago.

These sound like real estate listings for those in the upper tax brackets. In fact, they are descriptions of overnight accommodations available to members of a new organization called the Bed and Breakfast League.

Giving paying guests hospitality in the form of clean sheets and a breakfast tray has long been a respectable custom in Britain. It took double-digit inflation and the enthusiasm of Charlotte Taylor, 60, of Princeton, N.J., to organize it in the United States.

"I learned so much more about the people and the country by staying at bed and breakfasts in the Lake District in England last year than when I came home I thought it was too bad we didn't do the same thing here," she said. "Hotels and restaurants are so expensive now."

Diana MacLeish of Washington is a host member of the Bed and Breakfast League. Her town house, with its Oriental rugs and antiques, is a welcome respite from the turquoise carpeting and plastic furnishings of most motels.

MacLeish, like most B&B members, read about the league last fall in a discreet ad placed in one of several magazines around the country. After inspecting her home for general order and cleanliness, the league's area representative deemed her respectable. She pays annual dues of \$35 to have her home listed (minus her name, address or telephone number) in the organization's directory.

The directory lists 136 hosts in 14 major cities this year. Each listing gives a rundown on the stop — whether it is near public transportation, how many guests may be there, whether children or pets are welcome. The hosts fix rates on a range of \$12 to \$20 for a single and \$16 to \$28 for a double, including a continental breakfast.

But many go beyond just bed and

breakfast and will take their guests on guided tours of their cities, sometimes charging a small fee. Others serve dinner for a fee or lend bicycles, boats and tennis rackets. A young Florida couple who are licensed pilots give aerial tours of the coastline.

A non-host member — who pays \$46 a year — checks the directory, calls a toll-free number to Taylor's Princeton office to get the name, telephone number and address of a nice-sounding spot, and calls or writes for reservations.

Not all league listings run to elegance, although when they don't the hosts seem to feel obligated to point that out. "Nothing fancy, but attractive and homey," wrote hosts from Chicago.

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(Financial World, August issue)

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Another recent contract was for the AAI Solar Energy installation in the new State Office Building at Sacramento, California, which, upon completion, will have the greatest energy efficiency ever achieved.

DETROIT STOKER COMPANY

This subsidiary continues to strengthen its position as the world's leading manufacturer of industrial stokers for burning all types of solid fuels, including a wide variety of coal, and agricultural waste and municipal refuse. Detroit Stoker's backlog is also climbing fast. Orders on hand at June 30 were up \$2 million from year end.

AFFILIATED HOSPITAL PRODUCTS, INC.

This 70.1%-owned affiliate makes disposable products and health equipment. 1979 sales rose 12% to another historic high, the 20th consecutive year of significant growth. While higher material costs cut into profits, new technologies and equipment the outlook is optimistic.

NEO PRODUCTS COMPANY

This producer of custom molded thermoplastic parts continued to increase and diversify its customer list with gains in both sales and earnings.

For more information write to: Corporate Development Division, United Industrial Corporation, Dept. 5, 660 Madison Avenue, New York, N.Y. 10021. (212) 752-8787.

Photography Scene

PARIS — Dix Photographes pour la Patrimoine, Salle Contemporaine, Centre Pompidou, to Sept. 4.

Ten well-known photographers fail to portray present-day France. Their photographs, part of a project in "The Year of Patrimony," lack the spark that would transform the perched into the national. Only Bernard Descombes, with pictures of the Verdun War Memorial, and Michel Kompi, with photographs from the industrial north, make a worthwhile contribution.

Jan Saudek, FNAC Montparnasse, 136 Rue de Rennes, Paris 6, to Sept. 27.

This Czech painter-photographer, in the major part of his exhibition, places his models in a run-down basement room with a broken window. Children, girls and young men are softly illuminated while the window, through photomontage, gives onto skies with clouds or the night with its stars or other outdoor views. The combination is sensitive

and captivating. In the other part of this show, Saudek takes his camera outdoors for crowd scenes but the results are disappointing. He who thrives in directing and imagination is lost in the crowd that he cannot control.

1839-1866 in Egypt, Centre Kodak d'Information, 38 Ave. Georges V, Paris 8, to Sept. 19.

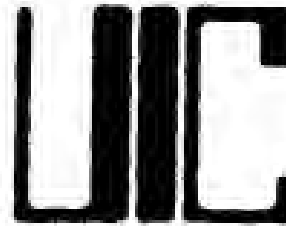
The fascination that Europe nourished toward ancient Egypt in the first half of the 19th century finds its natural expression in the discoveries of photography. Francis Frith, J.B. Green, Maxime du Camp, Gustave Le Gray, Felice Beato and others went to Egypt to discover and study the grandiose ancient monuments. Pictures of Karnak, Abu Simbel and Giza predominate, but Beato and Frith capture some detail of Egyptian life then. This exhibition is exemplary as a document. The photos are accompanied by excerpts from Gustave Flaubert's letters from Egypt.

—C.G. CUPIC

International Restaurant Guide

- PARIS - RIGHT BANK**
- BONNE FOURCHETTE** 220 Rue St-Henri, 240.45.27. Closed Saturday. Gastronomic menu. Extensive choice. Business lunch. Dinner. Port Macallan. 80 Ave. de la Grande-Armée. 274.17.24. Every day until 2 a.m. Choice menu. Sea food. Air-conditioned.
- LE CONGRES** 71, rue de Valenciennes. 278.29.09. Daily. Lunch. Sandwiches, pastries.
- GOLDENBERG JO** 71, rue de Valenciennes. 278.29.09. Daily. Lunch. Sandwiches, pastries.
- GRAND ZINC** Lunch, dinner. Light supper. Fish and shellfish. Reception room. 5 Rue. 278.29.09. Daily.
- LA MERE CATHERINE** 4, place du Tertre. 600.32.69. Traditional cuisine. Wide choice of specialties. Terrace and garden.
- MOISSON DU CIEL** 1 rue Quincampoix (Beaubourg) 227.27.55. Closed Monday. Refined Vietnamese specialties. All credit cards accepted.
- St-Jean-Pied-de-Port** 123 Ave. Wagram (77) 227.61.50 Daily until 11 p.m. Menu F.105 incl. service. Summer terrace. Choice of specialties. All credit cards accepted. 100% cash. 100% cash. 100% cash.
- TSE YANG** New. 25 Ave. Pierre 1er de Serbie. 720.68.02. 70.22. Traditional fine gastronomic Chinese cooking. Private reception rooms.
- PARIS - LEFT BANK**
- ASSIETTE AU BEURRE** 11 Rue St-Sauveur/Pl. St-Germain-des-Prés. 260.87.41. Choice menu 7.45 + serv. Daily till midnight.
- LA COUPOLE** Restaurant-Bar. Daily 11 a.m. to 11 p.m. 220.14.20. 102, Blvd. Montparnasse (parlons). Open in August.
- LA PETITE CHAISE** 36 Rue de Grenelle. 222.13.35. Menu F. 43. Refined cuisine. In a period setting. Open in August.
- RESTAURANT PARC MONTSOURIS** 20 Rue Gerson. 149.588.38.32. Bar. Boucherie. Open daily until 2 a.m. Menu F. 75.60. service included.
- HOLLAND**
- AMSTERDAM**
- RIB ROOM** At the Amsterdam Smeets Hotel. The best imported U.S. beer in town. Dine and dance to live music in an elegant atmosphere. Kerkstraat 1. (020) 212223.

Growth through Technology



UNITED INDUSTRIAL CORPORATION
Listed on the New York Stock Exchange

Facing Industry's Problems

Any day now, President Carter will unveil his program to reindustrialize the United States. Reindustrialization remains the political buzz word of the season. Its meaning is vague; it has to do with the debilitated state of American industry and the need for changes in government policy to revive it. But no one has come to grips with the specifics. That alone will make the promised Carter message worth the closest attention.

We have been, and remain, dubious. Reviving American industry is obviously attractive. But dealing intelligently with so complex a matter would be difficult at any time; is it possible at all in an election year? True reindustrialization is apt to be much more painful than its proponents are willing to admit. For its aim cannot be the simple political one of protecting troubled industries like autos and steel. The economy cannot be renewed by clinging to the past, to dying industries, crippled companies or existing jobs.

If reindustrialization is to mean anything, it must mean building up the muscle of American industry, exposing it to competition foreign and domestic, while having the wisdom and courage to let the losers die and to help the winners with sensible tax incentives and regulation.

The problems besetting the economy preceded the current recession and will doubtless outlast it. Productivity, which used to grow at a heady pace year after year, has stopped growing at all, and American industry no longer seems able to outsell the competition. The United States' share of industrial exports has dwindled. Increasingly, foreign producers are invading the U.S. domestic market.

Against these winds, an election-year "reindustrialization" plan sounds like a mere whistle. Still, it is conceivable that a program

could do great good, if founded on political courage and persistence. Inevitably, the president's language will be stirring, the claims hyperbolic, the details numbing. Behind all that, there are at least three minimum criteria for a serious program.

Does the program propose a realistic way to rationalize regulation? Industry now is often caught in an impossible cross fire between agencies with different goals. The government should at least try to set its own priorities when there are conflicts between, say, energy and environment.

Does the program include tax incentives for research, development and innovation? For a variety of reasons, such investment has been anemic in recent years — and so has the rate of technological change, one of the key engines of economic growth. Such incentives are particularly important for smaller companies, historically the key source of new industrial ideas.

Is the president willing to commit himself to competition? It is not easy for any government to abandon its willingness to protect industry against foreign competition. But to prop up inefficient domestic companies is not reindustrialization; it is supine politics. There needs to be a new and serious federal commitment to assist workers who lose to foreign competition. Industry, however, must be exposed to the full winds of competition. This requires phasing out the tariffs and import controls that make a few unions happy but protect inefficient producers, drag down productivity and generate inflation.

Even if these criteria are met, they are only the beginning of a sound reindustrialization plan, not the end. But they indicate the difficulties. The tougher the politics, the better the economics.

THE NEW YORK TIMES.

Enough of the Air Bag

The air hag has become the center, oddly, of a profoundly ideological quarrel. That is the inflatable bag under a car's dashboard, to protect people in the front seat in a crash. Or, to be more specific, to protect those people who will not fasten their seat belts, and who will cut belts that fasten automatically. There is the issue: how far should the U.S. government go to preserve the safety of people who willfully refuse to preserve it for themselves?

The case for the air bag is that it saves lives, and it is worth saving the lives even of those careless and perverse souls — representing perhaps four-fifths of the population — who will not use their seat belts. Automobile manufacturers do not much like the bags, fearing that customers will resent them. Advocates of the bags believe that, without legislation to force them, the manufacturers will make the bags in such small numbers that the costs will be unreasonably high and the bags will shortly disappear altogether.

Legislation is now in the final stage of passage in a congressional conference. It will say that, beginning with the small cars in 1983, cars sold in the United States will have to provide "passive restraints" to protect front-seat passengers. An air bag is a passive restraint, but the manufacturers generally seem to prefer seat belts that lock themselves. Safety specialists expect that, people being people, many will tear out the belt systems. An air bag is less obtrusive and therefore less vulnerable to the owner's baser impulses.

The conference has agreed that the law ought to ensure enough air bags in use to provide a reasonable statistical base for measuring its benefits. But at this point an essen-

tially good-hearted idea begins to turn into classically bad legislation.

Some manufacturers will have to provide air bags as options on some cars — but which? The conferees have written the requirement to include as many of the foreign manufacturers as possible but not Chrysler or American Motors, which are deemed incapable of hearing the emotional strain. The bill is now supported by a strange alliance of those people who want air bags and those who want to harass Japanese imports.

The law will require each of the included manufacturers to provide the bags as an option on one line of cars. What is a line? The conference is now hung up on that final question. The narrow-liners say that it is a model — for example, the Chevrolet Citation. The broad-liners say that it is all the cars built on a similar platform, or chassis — in the same example, not only the Citation but also the Pontiac Phoenix, the Oldsmobile Omega and the Buick Skylark.

The narrow-liners are right and the broad-liners are wrong. The government has a large responsibility to protect drivers from dangers that a layman cannot assess — whether a brake is safe, or what happens to the steering column in a crash. It has minimal responsibility to protect drivers from a risk that anyone can see and understand — like the risk of refusing to use a seat belt. The new law will guarantee that customers who want air bags will be able to get them in some models. That is enough. Beyond that, the future of the air bag will have to depend on whether people actually want it.

THE WASHINGTON POST.

International Opinion

Generals in South Korea

Democracy and human rights have never flourished easily in the soil of South Korea. They are now threatened with extinction at the hands of a new dictator, Gen. Chun Doo Hwan, who is "likely" to be elected this week.

And yet Gen. Chun has been effectively endorsed by Gen. John Wickham, who commands the 40,000 American troops still stationed in South Korea. By telling reporters that Gen. Chun would get United States support, Gen. Wickham indeed seems to have precipitated the takeover.

President Carter is probably powerless now to save South Korea from a new tyranny, but he might remember that 30 years ago one of his heroes, Harry Truman, did not hesitate to sack the overweening Gen. MacArthur during the Korean War.

— From the Observer (London).

Appeasement in Poland

By sacking the [Polish premier] and three other top leaders, the Polish Communist Politburo and its masters in the Kremlin have made a big gesture of appeasement to the strikers. This is of great importance as a tribute to the power of the strike movement and its backing in the country. It is also a most damaging admission of the party's fallibility. Yet over the past 10 years in Poland there have been several changes at the top without any improvement beyond a temporary injection of food supplies. The great question now is whether this time the Polish people will be given any significant reforms.

So far, the West, in its anxiety not to do or say anything that might annoy the Russians, has done pusillanimously little even by way of expressing solidarity with the Polish people in their hour of trial.

— From The Daily Telegraph (London).

In the International Edition

Seventy-Five Years Ago

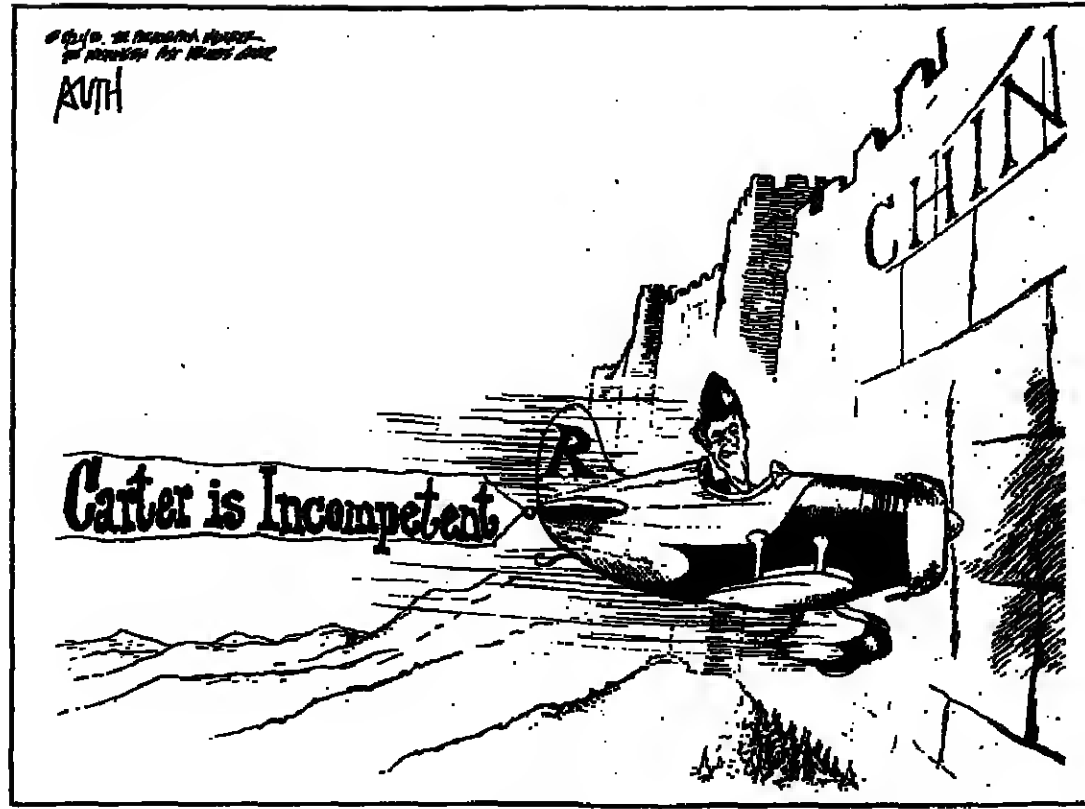
August 26, 1905

NEW YORK — All the prominent physicians of New York have received a circular from the New York Post Graduate Hospital announcing the discovery of a new cure for consumption. The new remedy is the juice of raw vegetables (potatoes, carrots, celery and the like) the dose being two ounces after meals. The statement is made that 11 patients with well-developed pulmonary tuberculosis have been absolutely cured. The experiments have been made in the above-mentioned hospital under the direction of Dr. John Russell, who for several years has been the principal advocate of nutrition — as opposed to medication — for the treatment of tuberculosis of the pulmonary type.

Fifty Years Ago

August 26, 1930

NEW YORK — Confronted with the rapid spread of yesterday's revolutionary outbreak throughout Peru, President Augusto Leguia handed his resignation today to the military junta that had fomented the movement and fled on board a Peruvian cruiser that transhipped him to a freighter bound for Panama. Assuming control of the government, the military junta created a military cabinet, with General Fernando Sarmento as premier and Minister of War, Lieutenant-Colonel Sanchez-Cerro, who led the revolt in Arequipa, is hailed as the hero of the revolution, and rivalry between the Lima Cabinet and the men chosen by him is increasing the confusion in Lima.



In Search of American Statesmanship

By Henry Steele Commager

LOS ANGELES — The convention oratory, the platforms and the candidates of the two major parties provide us with a sobering warning of what lies ahead in the next four years.

The most conspicuous feature of the rhetoric, the resolutions and the "planks" is their almost unanimous refusal to address themselves to the realities of the present world situation and the auguries of the future. Equally impressive was the genius of party spokesmen or candidates in avoiding consideration of those prodigious problems that glare implacably upon us.

What are those problems? What are those issues ignored by the party platforms.

First, the issue of atomic warfare. It is an issue for which we ourselves are chiefly responsible. It is in the United States who, after all, built the atomic bomb and we are, so far, the only nation that has ever used it in anger. And having delivered the original "first strike," we now seem to be embarked — by presidential fiat, to be sure — upon a policy of deterrence that implies a return to that first-strike strategy. If the problem of nuclear weapons is not resolved, we shall, in all likelihood, experience a cataclysm that will make all other issues irrelevant.

Second, the issue of natural resources, an issue that might more accurately be called the right of posterity — if there is any — to inherit the Earth, and of the kind of Earth to be inherited.

Third, the issue of nationalism, the recognition that every major problem that confronts us is global, and that none can be solved by a nationalism (here or elsewhere) that is as chauvinistic, parochial and anachronistic as was states' rights in the day of Jefferson Davis.

Sacred Obligation

These three overarching problems might be subsumed under the larger concept of security — security not only for the United States, but for all the peoples of the globe, for posterity, for civilization and for nature. To all of these our generation has a fiduciary obligation that deserves the term sacred.

Now, for the first time in recorded history, they are endangered.

The threat is not from the Soviet Union, from the Arab countries, from Communist conspiracies, from internal subversion. It is not from wicked or malevolent men — like a Hitler or a Stalin — mad for power or bent on destruction. For men in places of the highest power, in the Soviet Union or in our own country, we can say with George Meredith:

"No villains need be.
"Passions spin the plot.
"We are betrayed by what is false within!"

We are threatened by policies, American and Soviet, that gravitate almost irresistibly toward nuclear war.

We are threatened by a paranoia that sees the Soviet Union as a mortal enemy, bent on the

destruction of the United States and of free nations everywhere, and by the military policies that this paranoia dictates. There never has been, and there is not now any basis for this fantasy. The Soviet Union has everything to lose and nothing to gain by such a war; the United States has nothing to gain and everything to lose by such a war; a mutual suicide pact is not a policy. That the Soviet Union violates international law and morality by her invasion of Afghanistan is undeniable. But it was equally undeniable that we did the same by our 10-year invasion of and war against Vietnam and Cambodia — a war that enlisted altogether some 5 million of our fighting men, exacted casualties of perhaps 1 million, and devastated an unforgotten country with 7 million tons of bombs — more than we dropped on Germany and Japan combined during World War II.

We are threatened by the delusion that nuclear war can somehow be "contained," by what might be called the Herman Kahn principle of the 49 steps toward an all-out war, each of which will be prudently observed by military leaders who are prepared to wage wars as they would play a chess game, with a nice respect for the rules.

Illusory Threat

We are threatened by the illusion, still flourishing after 35 years of disproof, that one nation, presumably the United States, can somehow gain and hold nuclear superiority over all competitors — an illusion that should have been forever dispelled when the Soviet Union, to our astonishment and dismay, managed to explode an atomic bomb just four years after Hiroshima.

We are threatened by that spread of nuclear power, which we should have known could not be prevented or contained any more than could the escape of evils from Pandora's box. Five powers now have the atomic weapon; nine others are capable of making it. It is true that we called for nuclear parity and have sought to restrict the spread of nuclear arms; it is also true that our participation in the Cold War has stimulated the arms race almost everywhere on the globe.

We are threatened by a Dr. Strangelove aberration, which can seriously contemplate a nuclear conflict in which the loss of 100 million American lives can be designated as "acceptable."

We are threatened by the power and influence of the military-industrial-financial-labor-academic-scientific complex that consciously or unconsciously operates to encourage a government, and a society, in which the concept of security is increasingly and pervasively military. The commitment of roughly 40 percent of our research scientists to investigation and experiments connected with "security," levies a cost on scientific progress that is incalculable.

We are threatened by a growing demand for secrecy in government and with the growing power of organizations, operating in secret, to

engage in conspiratorial activities that endanger the operation of democracy at home and the maintenance of peace between nations.

We are threatened by a hubris that assumes that God, nature and history decree that the United States always be number one in military and political power throughout the globe, and which regards competitors as enemies, allies as instruments of our policies and neutrals, such as China, as "cards" to be played by American hands.

Fundamental Change

Over a century ago John Stuart Mill admonished us that, "When society requires to be rebuilt, there is no use attempting to rebuild it on the old plan. No great improvements in the lot of man are possible until a great change takes place in the fundamental constitution of our modes of thought."

That is what is called for most insistently today: a change in the fundamental constitution of our modes of thought. That is what — aside from brief statements by Rep. Ronald Dellums, D-Calif., and California Gov. Edmund Brown Jr., was so glaringly absent from the speeches and the platform resolutions of the two great parties.

President Carter and Defense Secretary Harold Brown are already clamoring for more and more atomic weapons; Ronald Reagan — knowing a good audience and a bad issue when he sees one, is telling us that the Vietnam War, which after slavery was the most ignoble chapter in our history, was in fact a noble cause.

What is required is a statesmanship that can emancipate itself from the misguided assumptions of the past and guide us into new modes of thought. Writing in 1834, that stout conservative, Justice Joseph Story, who had known Thomas Jefferson and James Madison, John Adams and John Marshall, described just such a statesman as "one who must, in some measure, be master of the past, present and future. He must see what is behind as well as before. He must learn to separate the accidental in human experience from that which constitutes the cause or the effect of measures. He must legislate for the future when it is as yet but dimly seen; and he must put aside much which might win popular favor in order to found systems of solid utility whose results will require ages clearly to develop, but still whose results are indispensable for the safety, the glory, and the happiness of the country."

Not since Adlai Stevenson have we had a statesman who proclaimed these principles; not since Franklin Delano Roosevelt one who acted on them. If, with resources richer than those of any other nation, we cannot find such statesmen now, our prospect for survival is desperate.

Historian Henry Steele Commager is author of "The American Mind" — "The Empire of Reason" — and a coming book on Alexis de Tocqueville. He wrote this article for the Los Angeles Times.

Impressions on the Reagan Edge

By Joseph Kraft

INDEPENDENCE, Mo. — If Jimmy Carter is on the trail of a come-from-behind upset victory, it's news to Harry Truman's old hometown. A survey here in Independence shows that while Mr. Carter enjoys general respect for honesty, it is chiefly partisan Democrats who like his record enough to want four more years.

Ronald Reagan, by contrast, scores on foreign policy — thanks largely to negative feelings about the president's handling of Iran. But Mr. Reagan's edge is dulled by worry that he might be "hotheaded" enough to work the country into another war.

Those are impressions of a long "focus group" discussion conducted here the other day by the Washington pollster, Peter Hart. The "focus group" in Independence was very much like one I visited with Mr. Hart in William McKinley's hometown — Canton, Ohio — after the Republican Convention.

White and Christian

The group included five men and six women, ranging in age from 21 to 60. They were all white and Christian. Family income ran from below \$10,000 annually for one person to about \$25,000 for four of the participants. Four of the group listed themselves as Democrats, four as Republicans and three as independents.

What hopes do you have for the country in the decade of the 1980s? was Mr. Hart's first question to the group. Getting inflation under control was the unanimous immediate response. "I have trouble making it to the next payday," David Mills, a 27-year-old hospital maintenance man, complained.

Hope for a "better foreign policy" came next on the wish list. Judith Gutekunst, a 45-year-old housewife married to an engineer, said: "I hate to see the U.S. in second or third place. I'd like to see the U.S. be number one in the '80s." Thomas Rowland, a 27-year-old factory worker, expressed resentment at "third-rate countries kicking us

around." In that vein, virtually everybody mentioned in bitter tones the hostages held in Iran.

From hopes for the 1980s, Mr. Hart switched the topic to realistic expectations. Everybody agreed inflation would not be mastered. "Congress," "the bureaucracy," and "government spending" were all cited as reasons.

Foreign Policy

However, there was a feeling the country could realistically expect to do better in foreign policy. One member of the group thought improvement would come if more people were willing to serve in the military. Valie Robbins, a 24-year-old sales representative, said that "with so many people wanting and hop-

ing," we could do better. She was applauded when she gave as her reason "because I'm an eternal optimist."

But accompanying hope for a stronger American position was concern it might lead to trouble. The group was unanimous in believing there would be a war in the next decade. One person said all that had so far prevented a fight between Russia and the United States was "luck." Another said, in a cynical reference to Korea and Vietnam, that when war came it would be called "a conflict."

Mr. Hart then asked the group their view of the two main candidates. When the original responses proved fuzzy, Mr. Hart forced the point by asking how Mr. Carter and

Calling OPEC's Bluff On Third World Aid

By Iain Guest

GENEVA — The special General Assembly session of the United Nations, which began yesterday in New York, marks the latest chapter in the increasingly bitter polemic between the West and OPEC over responsibility for the appalling poverty in the Third World.

Clearly, the role of the Organization of Petroleum Exporting Countries will overshadow all else as this meeting attempts to review the 1970s and set new development targets for the 1980s. This year, the oil producers' profits are expected to rise to \$115 billion, while the rest of the Third World is expected to run the deficits of \$65 billion. Despite the damage wreaked by oil price increases, only \$5 billion, according to estimates by the Organization for Economic Cooperation and Development, will be channeled back to the Third World as aid, and little more than \$15 billion in the form of private investment, or loans.

The rest will be recycled by OPEC back into Western banks and the same Western capitalist system that has been harshly attacked by OPEC delegates at previous UN meetings on North-South issues, as they have been termed.

Western diplomats will insist, during the next two weeks, on an end to this charade, and demand that the oil producers begin to live up to the special responsibilities that come with wealth. Equally certain, OPEC will refuse.

Although this exchange will be accompanied by much outrage and moralizing, it has more to do with self-interest than the real needs of the poor. The West wants to pry OPEC away from the shelter of the Third World's negotiating body, the Group of 77, so as to isolate energy issues and maneuver OPEC into discussing a system of regular oil supplies and prices.

The oil producers realize that were this to happen, they would lose their grip on the world oil market, and be forced to accept special obligations toward the rest of the Third World. Both appeal to the rest of the Third World for support.

OPEC spokesmen argue that oil producers share many of the woes of other developing countries: crushing debts (Iran, Algeria), poverty (Nigeria, Indonesia), dependence on depressing Western economies (the Gulf states).

Oil, they continue, was underpriced before the formation of the cartel, and has periodically lost ground since then against the inflated cost of manufactured items from the West — the kind of "deterioration of terms of trade" that plagues all commodities. They urge other commodity producers to look to OPEC as a model for confronting the West and extracting concessions in money and trade.

As for OPEC aid, they point out that it is significantly more generous than the West's as a percentage of gross national product (1.28 per cent last year for OPEC compared with 0.34 per cent for the West); and that OPEC wealth depends on a single, dwindling raw material — in contrast to the years of industrialization in the West.

Contradictions

The contradictions, and inconsistencies that this entails are, on occasions, breathtaking; thus, in sharp contrast to the flamboyance of their price-fixing sessions, the oil producers have consistently refused even to acknowledge the existence of their cartel at UN meetings.

Despite this, many of the arguments are sound:

• The effect of rising oil prices on the poorest, least developed countries has been greatly exaggerated. Thus although the combined deficits of Africa — the continent causing most alarm — will rise to \$10 billion this year, much will be accounted for by food. Indeed, with the whole of Central Africa mired in famine, the cost of a bag of U.S. grain is likely to cause more sleepless nights in some nations than the price of a barrel of Saudi oil.

• Oil costs to the Third World are hardly more critical than debts to Western banks and governments, which topped \$300 billion last year, and cost more than \$60 billion to service.

• Despite its political dismay, the West enters the 1980s in a position of strength vis-à-vis the Third World, with an iron grip on food exports, a huge balance of trade surplus in manufactures (\$75 billion last year), and control of the major institutions. It is in a better position to initiate reforms than OPEC.

• The Third World's record of trade are, as OPEC maintains, deteriorating. According to the International Monetary Fund, they lost \$80 billion between 1973 and 1979. The coming annual trade review from the General Agreement on Tariffs and Trade will argue that the major cause of inflation in the West (which is significant to exports) is not imported oil, but a lack of fiscal self-discipline, overconsumption of energy, and protectionism, which creates an industrial stranglehold and distorts prices.

This said, OPEC aid is without doubt miserly — and also channeled first to Arab, and then to Islamic states, bypassing the poorest of the least developed countries. Although this is starting to change, OPEC aid money is put into multilateral institutions, the emphasis will shift to private aid, which takes a notoriously long time to disburse and also favors countries with an infrastructure and manpower.

Equally serious, OPEC ignores the investment needs of the Third World — for the simple reason that it offers even less of a return than depreciating Western currencies.

This is not a record that either OPEC, or the West, can be proud of. Yet there are few signs of correction, and little prospect of OPEC's bluff being called.

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BUSINESS NEWS BRIEFS

Korvettes Will Miss First Loan Repayment

NEW YORK, Aug. 25 (UPI) — Korvettes said today that it will not repay \$26 million of a \$55-million debt at a scheduled meeting with lenders Wednesday because French exchange-control authorities have not yet approved the cash repayment plan.

The troubled discount retailer said, however, it expects the approval to come through within 30 days. "There will be no payment on Wednesday," Korvettes' spokesman John Cook said. "Payment is dependent on approval by the French exchange-control authorities, and that takes about 30 days."

Reports over the weekend said Korvettes' lenders were becoming increasingly anxious after the chain store failed at a meeting Friday to make its payment, which was to be supplied by Korvettes' owner, Agache-Willot, a French merchandising group. Mr. Cook said the complicated process regarding the transfer of currencies means it takes 30 days for approval to come through.

Plan to Save Commonwealth Oil Under Way

SAN ANTONIO, Texas, Aug. 25 (AP-DJ) — Tesoro Petroleum and Hildebrand Petroleum, a U.S. firm controlled by Venezuelan interests, said they have agreed to try to salvage Commonwealth Oil from bankruptcy.

Commonwealth has a 161,000 barrel-a-day refinery in Puerto Rico that has been sought by several unsuccessful suitors since it entered bankruptcy proceedings in March, 1978. The arrangement by Tesoro and Hildebrand would result in Hildebrand, which trades and transports oil, lining up crude oil supplies from Venezuela to be refined in Puerto Rico for distribution in the United States.

Tesoro has been the target of a possible takeover attempt by Diamond Shamrock, which disclosed recently that it had acquired 4.5 percent of Tesoro's shares. Tesoro said it filed suit in U.S. District Court against Diamond seeking an injunction requiring diamond to dispose of its Tesoro stockholding and to refrain from buying any more Tesoro shares.

Italians in \$415-Million Saudi Hospital Deal

MILAN, Aug. 25 (AP-DJ) — Feat, a Milan-based construction company, has been awarded a \$415-million contract by Saudi Arabia to build a hospital at Taif-al-Hada. Work will begin in January and must be completed within two years.

The contract provides for construction over a 20,000-square-meter area of a hospital, houses for personnel, shops, a swimming pool and a mosque. The project will employ 400 Italian workers and technicians, a spokesman for Feat said.

U.S. Reviews Trigger Price In Steel Dumping Dispute

By Clyde H. Farnsworth

WASHINGTON, Aug. 25 (NYT) — The Carter administration is considering revamping its now-suspended trigger-price mechanism for controlling steel imports in newly intensified efforts to settle the U.S. steel anti-dumping suit against Europe.

Interagency discussions have begun on a specific proposal to be made to the U.S. Steel Corp. that would offer added trigger-price protection in return for withdrawal of the company's complaint, administration officials reported. The aim of the new protection would be to bar much low-priced European steel from the market.

The trigger-price mechanism was suspended March 21, after the largest U.S. steel maker filed its complaint charging that European companies were selling steel in the U.S. below the cost of their production. If the mechanism is revived, the government would be going back to the protection worked out in early 1978 under which minimum steel import prices were set on the basis of production costs in Japan, which is considered the most efficient steel-producing nation.

One administration specialist said that he expected a settlement of the dispute before mid-October, noting that after President Carter announced his program for economic revival later this week, "things could move pretty quickly."

European steel prices have risen sharply since the U.S. steel industry filed its complaint. "We are working towards trying to get a settlement before Oct. 17, because that's when the whole thing gets set in concrete," said a U.S. government negotiator, referring to the legally mandated deadline the Commerce Department must meet to assess tentative dumping duties.

This could involve substantial sums: with \$1.5 billion of annual trade involved (on the basis of 1979 import figures), a dumping margin of, for example, 20 percent could mean a potential liability of \$300 million.

Kurt Orban, president of the Ford Werke Plan said "Going Well."

Ford Werke Plan said 'Going Well'

COLOGNE, Aug. 25 (Reuters) — Ford Werke's plan to reduce its payroll by 6,000 workers through voluntary retirement incentives is going well, according to a spokesman for the West German subsidiary of Ford Motor.

He declined, however, to confirm reports in Der Spiegel that over 100 workers had enrolled in the scheme. The company set aside 135 million Deutsche marks to finance cuts in the workforce. He said the offer will expire either at the end of September or when the 6,000 are reached.

The spokesman said that the majority of those interested in the plan are foreign workers.

Orders Drop For Machine Tools in U.S.

NEW YORK, Aug. 25 (AP-DJ) —

A combination of the summer doldrums and the recession have cut orders for metal-working machinery, but producers do not know how much weight to assign either factor. Most are inclined to say summer vacations are probably more important than the business slowdown, but they say the longer-term order trend is down somewhat.

Machine tool orders in July totaled \$310.8 million, down 32 percent from June's \$457.2 million, and 14 percent below the \$362.1 million of a year earlier, the National Machine Tool Builders Association reported. July was the first month this year when orders fell below \$400 million, and orders were the lowest for any month since late 1977, the association's figures show.

"We do see some slowdown in orders, but it's hard to differentiate between effects of the recession and the normal summer doldrums," said Clifford Meyer, executive vice-president for operations for Cincinnati Milacron, Inc., the nation's largest machine-tool producer.

It is traditional in the machine tool industry for plants to close down for a couple of weeks in July or August. Many metal product manufacturing plants also close during vacations, and executives who approve equipment purchases frequently take vacations about this time of year.

There are good reasons to expect some slowdown in machine-tool orders over the next six months or so. U.S. factories operated at only 74.2 percent of capacity in July, which doesn't indicate any need for expansion. Ordinarily, machine tool orders rise as the operating rate climbs into the 85-percent range.

Durable goods industries, as usual, were hit hardest by the recession, and durable goods producers are the major buyers of machine tools. For instance, July shipments of many types of appliances were down 14 percent to 20 percent from a year earlier.

Auto sales are down even more sharply. However, the auto companies have no choice but to continue spending on equipment to produce more small and fuel-efficient cars, machine tool builders say.

Strong Fed Move Possible On Money-Supply Growth

By Marguerite Nugent

NEW YORK, Aug. 25 (Reuters) — The Federal Reserve Bank may be forced to take decisive action to stem the growth in the money supply if figures for coming weeks fail to offset recent growth, money-market analysts said.

They noted that the money-supply figures for the latest statement week, as well as the revisions in those for the preceding week, already indicate the growth rates could exceed the Fed's targets.

The money-supply figures for the most recent statement week showed declines of \$3.6 billion in M-1A and \$3.4 billion in M-1B. However, as a result of the \$1.4-billion upward revision in both M-1A and M-1B for the week of Aug. 6, the increase for that week was \$9.6 billion and \$10.3 billion, respectively, rather than \$8.2 billion and \$8.9 billion.

With the 13-week growth rates now at 11.8 percent for M-1A and 14 percent for M-1B, analysts said it would take several weeks of substantial declines for the growth rates to meet the Fed's targets.

William Sullivan of the Bank of New York noted that in the first 13 days of August the growth in M-1A already was \$7.5 billion above the projected level of \$395 billion.

"If this growth continues, then the Fed will probably take steps to tighten up the availability of reserves," Mr. Sullivan said.

He believes that by its lack of action in recent days, the Fed already has indicated a preference for a tighter funds market. Without any specific signal, the funds rate increased about a half point, he noted.

Statistics released by the New York Federal Reserve Bank Friday showed the average funds rate rose to 9.54 percent from 8.96 in the previous statement week.

Analysts believe that there have been several causes for a distorted funds rate in recent weeks — some of which were technical — and suggested that because of this the Fed has been reluctant to take any specific action that would force rates higher.

One of these factors is float. In releasing the banking figures, a Fed spokesman noted that during the latest statement week float added more to reserves than was expected. Float rose \$767 million to \$6.15 billion, which the spokesman said was the highest for any week in August in 10 years.

Venezuela-Panama Loan

CARACAS, Aug. 25 (AP-DJ) — Venezuela granted a \$100-million loan to Panama Friday for construction of a bridge over the Panama Canal. The agreement for the 20-year, 6-percent loan was signed by President Luis Herrera Campins of Venezuela and President Aristides Royo of Panama.

CURRENCY RATES

Interbank exchange rates for August 25, 1980, excluding bank service charges

	\$	£	D.M.	F.P.	Y.L.	G.H.	R.P.	S.F.	O.K.
Amsterdam	1.760	4.200	18.87	48.71	3.294	14.700	—	12.340	5.110
Buenos Aires	28.77	48.525	14.285	6.745	3.760	91.30	—	108.10	32.39
Frankfurt	1.804	4.287	—	47.1	2.108	—	—	—	—
Geneva	55.80	240.30	47.40	284.75	0.1188	—	—	—	—
London	—	2.265	0.650	0.258	0.1188	—	—	—	—
Madrid	4.788	1.920	21.770	—	4.825	212.99	14.400	25.00	75.100
Paris	4.492	3.948	15.151	37.850	0.1198	—	—	—	—
Stockholm	1.403	0.916	2.550	5.604	1.020	2.754	40.587	2.374	7.814
Switzerland	—	—	—	—	—	—	—	—	—

1 Swiss franc = 136.75 cents U.S.

(1) Commercial franc. (2) Amounts needed to buy are shown. (3) Units of 100. (4) Units of 1,000.

Swiss Investors Said to Buy High, Sell Low

NEW YORK, Aug. 25 (AP-DJ) — Concern about the dollar still has the Swiss skittish about the U.S. stock market. But perhaps that ought to be reassuring to domestic investors.

That is how it looks, at least, to John Slade, senior partner of Bear, Stearns & Co., and co-director with Michael Tarnopol of its international department.

"The Swiss, in my long experience, have never been good investors," said Mr. Slade, a veteran of 44 years with the firm. All too often, he said, "they miss the turn, come in at the top, and sell at the bottom" of a stock-market cycle.

Worries of a weaker dollar also kept the West Germans from getting into the big turn in U.S. equities last spring, Mr. Slade said. The British, he added, are "by far the best investors" from a timing standpoint. He declined to grade the Chinese on investment acumen, saying that Hong Kong speculators treat stock dealings "more as a sport."

The Swiss attitude matters particularly because banks there have large amounts of funds from customers in the Organization of Petroleum Exporting Countries, as well as from other areas where affluence and anonymity go hand-in-hand. With so much money coming in, the Swiss are "always active" in the U.S. market, Mr. Slade said.

In U.S. Stock Market

But they have not started to become net buyers again, he said with some relief. "Usually when the Swiss become aggressive buyers, we get scared."

On balance, Federal Reserve Board figures show, the Swiss were heavy net buyers of U.S. stocks last January and February, just in time to get caught in the downturn, which topped about 150 points off the Dow Jones industrial average.

Then, when the Dow was commencing a rally that would carry it from the mid-700s to Friday's close of 958.19, the Swiss were setting into a course of being steady net sellers. Having acquired a net \$528 million in the first two months of 1980, they were net sellers of \$36 million in March, \$75 million in April and \$17 million in May, the latest Fed figures show.

Such totals and the Dow average alone are not the whole story, of course. Mr. Slade credits the Swiss with special shrewdness in taking advantage of takeover situations.

"Very often," he said, "before a merger is announced, we will see Swiss companies buying those stocks."

Other Europeans and foreign investors generally are "very tuned in to the dollar," ob-

serves Mr. Tarnopol. While a cheap dollar makes U.S. stocks cheaper for them to buy, the risk that it will keep getting cheaper could wipe out any stock gains when the time comes to sell the stocks — and the dollar proceeds — for their own currencies. Despite this handicap, foreigners generally are "just as good or just as bad as we Americans are," he said.

Although the two executives expressed confidence that visible stability in the dollar will soon spur a return of net stock buying from abroad, a Swiss money manager says he "very definitely" expects the dollar to weaken within the next year. Thus, "we're only looking at stocks where we see a growth potential that would make those stocks more expensive even under the condition of a weaker dollar," said Jacques Itensolm, financial research chief at Fieret Lullin & Co., a private bank in Geneva controlled by Swiss Bank Corp.

Technology issues are among the stocks Mr. Itensolm bets will offset any dollar declines against the Swiss franc. He favors Cincinnati Milacron, Automatic Data Processing, Harris Corp., Fluor, Intel, Black & Decker, and Owens-Corning Fiberglass.

That is an "absolutely correct" list of what Swiss customers are buying lately, says Mr. Slade. Are the Swiss apt to be right this time? "Let's hope," he replies, "let's hope."

U.S. Industrial Policy: What Will It Mean?

By Edward Cowan

WASHINGTON, Aug. 25 (NYT) — The Carter administration's long struggle to come to terms with this year's economic buzzword — industrial policy — is expected to result shortly in a White House announcement of an economic renewal package.

The new program will be intended to give fresh hope to millions of workers in basic industries such as steel, autos, rubber and electronics, and in so doing impart new vitality to President Carter's campaign for a second term.

While the approach of the campaign, the White House has pushed policy planners to finish a long effort to draft the package. The exercise has produced jargon like social contract, crisis of competitiveness, positive adjustment and reindustrialization.

The White House has become attracted by the political promise of a new economic script, as leaders in business and labor talk increasingly

about the need to revitalize America's industrial sector, once the world's leader. Industrial policy has become a rubric in search of a definition.

Narrowing of Government

Mr. Carter indicated in his acceptance speech at the Democratic National Convention and in an earlier address that his version of industrial policy will steer clear of new government institutions and wider use of the government's powers. Mr. Carter's remarks suggest that he will emphasize substitution of domestic coal for imported oil. There is expected to be special emphasis on facilitating transportation, a traditional federal role that goes back to the inland canals of the early 19th century.

The president's remarks, viewed against his continuing effort to restrict increases in federal spending, also suggest that he will seek to dress up existing programs rather than embark on expensive new ones. This may disappoint activist advocates in and out of government who urge a sweeping federal effort to reinvigorate old industries and foster new, high-technology, export-oriented ones.

The new language of industrial policy is not self-explanatory. That term and reindustrialization have become shorthand to express a need

to deal with an almost panoramic set of problems.

Frank Weil, a former assistant secretary of commerce under Mr. Carter, summarizes the problems as lagging productivity, a fall-off in innovation, distortions in the process of capital formation and the loss of global competitiveness.

Mr. Weil's proposition that Congress make a broad policy declaration about the need for industrial health is symptomatic of the bipartisan view that Washington must go beyond bailouts like Chrysler's loan guarantees to do something positive to renew the muscle and sinew of a broad spectrum of American industry.

A commitment to reindustrialization has strong appeal for the Democratic Party. For almost a half century, the industrial cities of the upper Midwest and the Northeast — Chicago, Detroit, Cleveland, Pittsburgh, Jersey City, New York, New Haven, Providence, Boston — have been crucial to the election of Democratic presidents and to Democratic control of Congress.

But industrial policy is an unfamiliar term in the American lexicon of political economy. Its meaning has troubled and divided the administration. The debate has inspired philosophical differences over government intervention, bureaucratic struggles over whether to

create new institutions or exploit existing agencies and even a basic disagreement over whether anything essentially new is required from the government at all.

Some officials contend that the United States has always had an industrial policy, dating at least from the 1791 "Report on the Subject of Manufactures" by Alexander Hamilton, the first secretary of the treasury. In this view, federal financing of inland canals, land grants to the railroads, tariff protection and — more recently — federal procurement and research outlays have all encouraged American industrial development.

But to deal with today's problems, say the advocates of a more activist industrial policy, requires a comprehensive approach: bring business, labor and government together to identify problems, articulate national goals and specify ways to realize goals.

"To some, it smells like planning," a senior congressional staff economist said. "Nobody is opposed to planning until the planners are named."

What, then, does an industrial policy involve? Policy planners agree only that there is no single answer.

"The question is not a new one," said Charles Schultze, chairman of (Continued on Page 9, Col. 1)

NYSE Prices Off Slightly In Light Day

NEW YORK, Aug. 25 (UPI) — Prices were lower at the close the New York Stock Exchange today. Trading was slow.

The Dow Jones industrial average, down more than 4 points at the outset, was off 1.96 points to 956.23 at the close. It gained 3.16 points Friday, but lost 8.53 points overall for the week.

Declines led advances by about a 9-to-5 margin among the 1,910 issues traded.

Volume on the Big Board amounted to about 35.4 million shares, down from the 38.2 million Friday.

Prices were mixed in moderate trading of American Stock Exchange issues.

Analysts said the market was restrained at the outset by investor fear that the Federal Reserve will have to tighten credit because the basic money supply had risen sharply the past several weeks.

Major U.S. banks, faced with higher borrowing costs, last week raised their prime lending rate to 11 1/4 percent from 11 percent. There is speculation that the rate will go to 11 1/2 percent soon.

The investment community was waiting for President Carter to unveil his "economic renewal" plan that is expected to call for job retraining and development and research programs. The measure is supposed to cost \$4 billion to \$6 billion.


Sony was one of the most active issues today following block trades of 250,000 shares at 12 and 150,000 shares and 136,200 shares each at 12 1/2.

U.S. Deficit Put At \$58.7 Billion

WASHINGTON, Aug. 25 (UPI) — The U.S. federal deficit grew to \$58.7 billion in July as the government spent \$15.1 billion more than it took in, the Treasury Department reported today.

In its monthly statement, the department said the government spent \$52.4 billion last month, but received only \$37.3 billion in taxes and duties.

As a result, the deficit for the fiscal year had swollen from \$43.6 billion in June to \$58.7 billion by the end of July. Earlier this year, the Treasury Department projected the government would have a \$60.9 billion deficit when the fiscal year ended Sept. 30.



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First Pennsylvania Bank NA New York Branch
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Banque Commerciale pour l'Europe du Nord (Eurobank)

AGENT BANK

Swiss Bank Corporation (Overseas) S.A., Panama

NYSE Nationwide Trading Closing Prices Aug. 25

Tables include the nationwide prices up to the closing on Wall Street.

[illegible]

12 Month Stock High Low Div. in % 5 Yld. P/E 1934 High Low Close Prev Close										12 Month Stock High Low Div. in % 5 Yld. P/E 1934 High Low Close Prev Close										12 Month Stock High Low Div. in % 5 Yld. P/E 1934 High Low Close Prev Close										12 Month Stock High Low Div. in % 5 Yld. P/E 1934 High Low Close Prev Close																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										
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Eurocurrency Interest Rates

August 25, 1968

	Dollar	D-Mark	Swiss Franc	Seeling	French Franc
1 M. 10% - 10%	8 7/16 - 8 11/16	6 1/4 - 6 1/4	17% - 17%	11% - 12	11% - 12
2 M. 10% - 10%	8 7/16 - 8 7/16	5 1/2 - 6	15% - 11	11% - 12	11% - 12
3 M. 11% - 11 7/16	8 7/16 - 8 7/16	5 1/2 - 5 1/2	15% - 16 1/2	11% - 12	11% - 12
6 M. 11% - 12	8 1/2 - 8 1/2	5 11/16 - 13/16	16% - 16 1/2	12 - 12 1/2	12 - 12 1/2
1 Y. 11 15/16 - 12 1/16	8 7/16 - 8 3/16	5 1/2 - 5 1/2	(5% - 15%)	12 1/2 - 12 1/2	12 1/2 - 12 1/2

Selected Over-the-Counter

Closing Prices, Aug. 25, 1980

[illegible]

European Stock Markets

August 25, 1980
(Closing prices in local currency)

(Closing prices in local currencies)

[illegible]

Fokker Opens Subsidiary To Exploit U.S. Market

By Carol Shiffrin

WASHINGTON, Aug. 25 (WP) Fokker, the Dutch aerospace company, announced formation last week of a new subsidiary in the United States in a major step designed to strengthen its position there.

The move is an indication of the great potential that foreign aircraft manufacturers see for sales to the larger commuter airlines, the fast-growing segment of the airline industry whose opportunities have been enhanced by the Airline Deregulation Act.

Fokker produces two airplanes that it thinks will increasingly appeal to the commuter airlines. But the company believes they also would operate well on the somewhat longer flights that the larger airlines are dropping on the grounds that they're too short to be served economically by larger jets. Those planes are the Fokker F27 Friendship, a twin propeller seating between 40 and 56 passengers, and the Fokker F28 Fellowship, a twin fan-jet seating between 80 and 85 passengers.

Fokker has maintained a North American marketing division in the United States for several years, and has already made some sales; one U.S. commuter currently operates the F27, two are about to, and two are about to begin services with the larger F28.

But Fokker said the dramatic increase in commuter airline service that already has come about as a result of deregulation and the future

growth it expects has led it to strengthen its U.S. activities.

Based in Washington, the new Fokker Aircraft U.S.A. Inc., a wholly owned subsidiary of Fokker in the Netherlands, has full financial and contractual powers for marketing, sales and support of Fokker's commercial aircraft products. It also will be responsible for implementing and maintaining the U.S. spare parts stock and distribution center for Fokker's American customers. Fokker recently signed a contract with E-systems Inc. of Dallas to operate the center for it.

Right now, one U.S. commuter operates the F27 project, although two others are preparing to. Swift Air Lines of San Luis Obispo, Calif., currently operates a fleet of three Fokker Friendship's, based in New London, Conn. has taken delivery of an F27 and expects to begin using it soon. Also, Mississippi Air Lines of Ocean Springs, Miss., ordered its first of four F27s in May and is scheduled in September.

First deliveries of Fokker's F28 fanjet have been made to Airstar Airlines, based in Philadelphia, and Empire Airlines, of Upton, N.Y., and both hope to begin their operation next month.

Fokker says it sees a potential market of up to 180 projects in the 50-seat category and 80 projects in the 80-seat class by 1985. The figures were based on a market analysis forecasting that commuter traffic would grow at an average of about 15 percent per year.

Tables include the nationwide prices up to the closing on Wall Street

U.S. Commodity Prices

Open High Low				Open High Low			
287	218	287	211	211	211	211	211
Interest Frl 1,226, up 41 from 1,185				Jan 1961 3451 3465 Apr 3451 3465 Jun 3451 3465 Sep 3451 3465			
CATTLE				Est. sales 1,449; sales Thru 4,291 Total open interest Thru 9,844 No change quoted in points.			
75.25	75.25	74.00	73.75	-.25	DEUTSCHEMARK 5 per cent		
75.25	75.25	74.00	73.75	-.25	Nov	3397	3397
75.25	75.25	74.00	73.75	-.25	Oct	3397	3397
75.25	75.25	74.00	73.75	-.25	Sep	3397	3397
75.25	75.25	74.00	73.75	-.25	Aug	3397	3397
75.25	75.25	74.00	73.75	-.25	Jan	3397	3397
75.25	75.25	74.00	73.75	-.25	Apr	3397	3397
75.25	75.25	74.00	73.75	-.25	Jun	3397	3397
75.25	75.25	74.00	73.75	-.25	Sep	3397	3397
1144; sales Frl 71,262 Interest Frl 54,192, up 1,270 from 52,922				Est. sales 3,641; sales Frl 4,671 Total open interest Thru 10,673 No change quoted in points.			
CATTLE				DUTCH GUILDER, 5 per cent			
75.25	75.25	74.00	73.75	-.25	No open contracts		
75.25	75.25	74.00	73.75	-.25	RENCH FRANC, 4 per cent		
75.25	75.25	74.00	73.75	-.25	No open contracts		
75.25	75.25	74.00	73.75	-.25	JAPANESE YEN, 1 per cent		
75.25	75.25	74.00	73.75	-.25	Nov	30673	30673
75.25	75.25	74.00	73.75	-.25	Oct	30673	30673
75.25	75.25	74.00	73.75	-.25	Sep	30673	30673
75.25	75.25	74.00	73.75	-.25	Aug	30673	30673
75.25	75.25	74.00	73.75	-.25	Jan	30673	30673
75.25	75.25	74.00	73.75	-.25	Apr	30673	30673
75.25	75.25	74.00	73.75	-.25	Jun	30673	30673
75.25	75.25	74.00	73.75	-.25	Sep	30673	30673
72; sales Frl 1,672 Interest Frl 58,226, up 575 from 57,651				Est. sales 1,442; sales Frl 2,285 Total open interest Frl 4,147, up 1,000 from 3,147 No change quoted in points.			
SWISS FRANC, 5 per cent				Nov 2915 2915 Oct 2915 2915 Dec 2915 2915 Nov 2915 2915 Dec 2915 2915 Jan 2915 2915 Apr 2915 2915 Jun 2915 2915 Sep 2915 2915			
85				Est. sales 1,677; sales Frl 4,677 Total open interest Thru 10,673 No change quoted in points.			
50.25	50.25	50.00	50.00	-.25	NEW YORK FUR		
50.25	50.25	50.00	50.00	-.25	Aug 25, 1961		
50.25	50.25	50.00	50.00	-.25	Open High Low		
50.25	50.25	50.00	50.00	-.25	MUMD WHITE POTATOES		
50.25	50.25	50.00	50.00	-.25	50.00 (No.) cents per lb.		
50.25	50.25	50.00	50.00	-.25	Nov	8.5	8.5
50.25	50.25	50.00	50.00	-.25	Dec	11.8	11.8
50.25	50.25	50.00	50.00	-.25	Jan	11.8	11.8
50.25	50.25	50.00	50.00	-.25	Apr	11.8	11.8
50.25	50.25	50.00	50.00	-.25	Jun	11.8	11.8
50.25	50.25	50.00	50.00	-.25	Sep	11.8	11.8
50.25 50.25 50.00 50.00 -.25				Est. sales 1,677; sales Frl 1,226 Total open interest Thru 1,226			
50.25 50.25 50.00 50.00 -.25				COFFEE			
50.25 50.25 50.00 50.00 -.25				20.00 (No.) cents per lb.			
50.25 50.25 50.00 50.00 -.25				Dec 11.8 11.8			
50.25 50.25 50.00 50.00 -.25				Nov 11.8 11.8			
50.25 50.25 50.00 50.00 -.25				Sep 11.8 11.8			
50.25 50.25 50.00 50.00 -.25				Jun 11.8 11.8			
50.25 50.25 50.00 50.00 -.25				Apr 11.8 11.8			
50.25 50.25 50.00 50.00 -.25				Jan 11.8 11.8			

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ADVERTISING ADVERTISEMENTS <i>(Continued from Back Page)</i>		
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Cash Prices		
August 25, 1980		
Commodity and unit		Mon Year Ago
FOODS		
Coffee, Santos, lb.	1.00	7
TEXTILES		
Princimato 46-36 38% Yd.	0.67	0
METALS		
Iron bullion (100 lb.)	366.00	307
1980 20 Forty, 100 lb.	227.56	227
Lead scrap No 1 100 PWT	67.58	95
Lead scrap	67.58	95
Aluminum 100 lb.	92.94	88
Tin (strawls) lb.	8,397	7,240
Aluminum 100 lb.	8,355	7,240
Silver N.Y. oz.	15.85	94
Gold N.Y. oz.	654.75	214

Commodity Indexes		
August 25, 1980		
	Close	Prev.
Monday's	1,229.70 f	1,237.4
Reuters	N.A.	1,242.2
Dow Jones & Co.	454.74	457.7
D.J. Futures	453.14	456.1

Monday's : base 100 : Dec. 31, 1931. p = preliminary.
 Invol : f = final.
 Reuters : base 100 : Sep. 18, 1931.
 Dow Jones : base 100 : Averages 1924-25-26.

[illegible]

Cypriot Socialist Escapes Gunfire

NICOSIA, Cyprus, Aug. 2 (AP)—Gunmen attempted to assassinate Cypriot Socialist leader Vasos Lyssas last night, pouring gunfire into his weekend home while the Cyprus representative of the Palestine Liberation Organization was with him.

A police statement said the attackers fled following a 10-minute exchange of fire with Mr. Lyssas' aides' police bodyguards. No or-

Mr. Lyssardis said he was sure he was the target of the attack because he had been warned of a possible attempt on his life and because no one knew the PLO representative was with him. Mr. Lyssardis narrowly escaped death in an assassination attempt six years ago, and since then has been guarded wherever he goes.

TS

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nearer - 12 midnight, Tel: London 01-
723 0565.
VENUE - MICHELLE ESCORT SERVICE

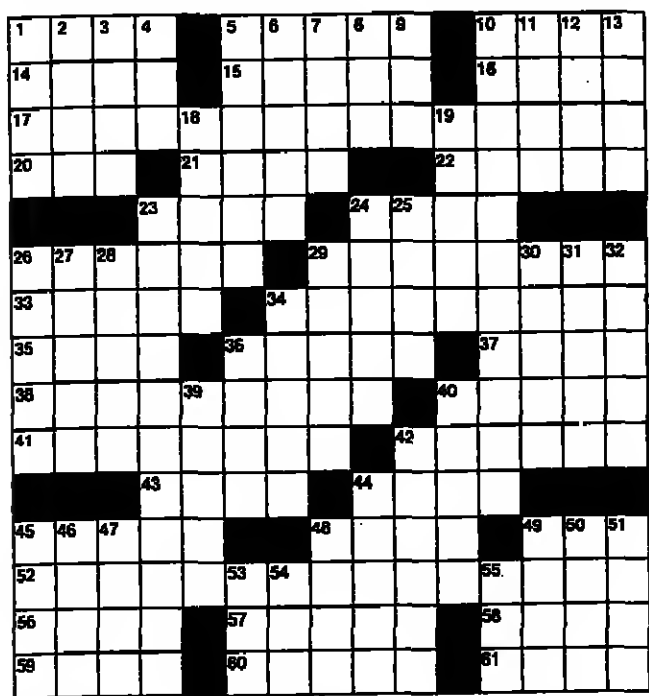
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VENUE-HARMONY Escort Service
Tel. 922-21 41 after 5 p.m.
Tel. 369-9494 Tel. 632-4204-6404
Omega Escort Service (Gentle)
FRANKFURT - WEISSHAAR, JAMES
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FRANKFURT - MARJIA Austrian Escort
Service, Tel. 529546.
MARJIA STAR Escort Service, Females
and Male, Tel. 369 311790.
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Service, Tel. 0211-327977.
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LONDON - TANJA Escort Service, Tel.
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CROSSWORD By Eugene T. Maleska



- ACROSS**
- Nuisance
 - Basso Tajof the Met
 - Angelic's colleagues
 - Place famed for a sparkling wine
 - Consumerist
 - Declaim
 - Lunch in Linars?
 - Negro and Grande
 - Beginning
 - Commanded
 - Reptile, for short
 - Epicure's pride
 - Pants peddler
 - Similar
 - Sharpen
 - Dover
 - Rooms, in Toledo
 - A brother of Er
 - Custom
 - Chief Justice, 1874-88
 - Salad green
- DOWN**
- Neighbor of Aquarius
 - Hollow places
 - "Candid" man
 - Milieu of some greyhounds
 - Interlaken waterway
 - "The Lip"
 - Sauce in Siberia?
 - Lectern
 - Free from frost
 - Depraved
 - Concert halls
 - Out of style
 - Surrender
 - Lateral, e.g.
 - See
 - Smith of tennis
 - Can
 - Kind of track or job
 - Western border lake
 - Stirs
 - Space-vehicle unit
 - Bergen coin
 - Breakfast in Bordeaux?
 - Exclamation of disgust
 - Stack
 - MS. mark
 - Provoked
 - Sacks
 - Final course in Fairbanks?
 - Pure
 - Deteriorates
 - Jellylike candy
 - Ten, in Dijon
 - New Hampshire's state flower
 - Song heroine: 1927
 - Type style
 - Relative on the mother's side
 - Descartes and Clair
 - Mourns
 - Cork
 - Bani-Sadr, e.g.
 - California products
 - Prepared vegetables for soup
 - "Charley's Aunt" is one
 - Church calendar
 - Signaled a thespian
 - Being
 - Passage for a U.M.W. man
 - Kind of performance
 - Geraint's wife
 - Flirt, in a way
 - Form a sum
 - Teachers' org.
 - Govt. agency

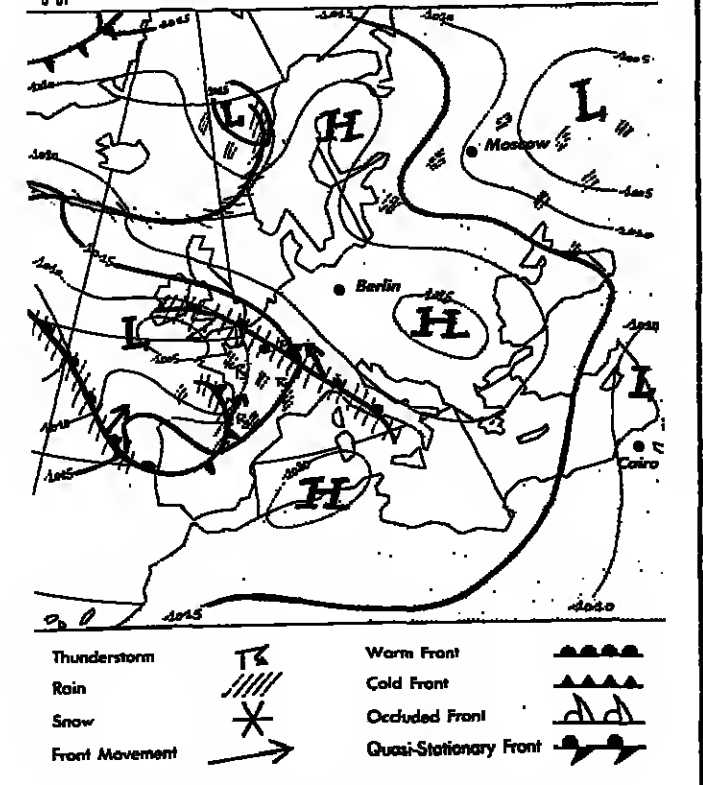
Solution to Previous Puzzle

CASH CTS BASS
ONTO AREA ABBA
WOODSTOCK TEMPI
LAP FRONTITION
CASH CTS BASS
ONTO AREA ABBA
WOODSTOCK TEMPI
LAP FRONTITION

WEATHER

ALGARVE	C 72	F 72	Cloudy	MADRID	C 68	F 68	Overcast
AMSTERDAM	22	72	Fair	MILAN	27	81	Fair
ANKARA	30	86	Fair	MONTREAL	23	73	Cloudy
ATHENS	30	86	Fair	MOSCOW	21	70	Cloudy
BEIRUT	29	84	Fair	MUNICH	16	61	Fair
BELGRADE	19	66	Fair	NEW YORK	38	100	Fair
BERLIN	13	55	Fair	NICE	25	77	Cloudy
BRUSSELS	16	61	Fair	PARIS	15	59	Cloudy
BUCAREST	28	82	Cloudy	PRAGUE	13	55	Overcast
BUDAPEST	28	82	Cloudy	ROME	28	82	Fair
CASABLANCA	26	79	Overcast	STOCKHOLM	13	55	Overcast
COPENHAGEN	16	61	Cloudy	TEHRAN	29	84	Fair
COSTA DEL SOL	29	84	Overcast	TOKYO	31	88	Fair
DUBLIN	16	61	Overcast	TUNIS	22	72	Foggy
EDINBURGH	16	61	Overcast	VIENNA	17	63	Overcast
FLORENCE	28	82	Fair	WASHINGTON	30	86	Fair
FRANKFURT	16	61	Cloudy	ZURICH	16	61	Fair
GENEVA	16	61	Cloudy				
HELSINKI	13	55	Fair				
HONGKONG	29	84	Fair				
HOUSTON	22	72	Fair				
ISTANBUL	29	84	Fair				
LAS PALMAS	29	84	Fair				
LISBON	22	72	Shower				
LONDON	20	68	Fair				
LOS ANGELES	27	81	Fair				

Situation Forecast for Noon G.M.T. Tuesday



Hoosier Farmers Avoid Bum Steer With Noseprinting of Their Cattle

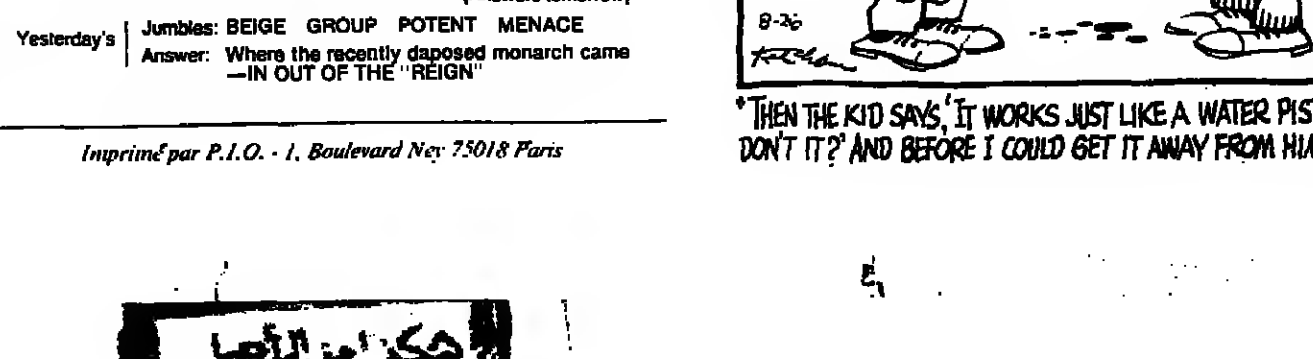
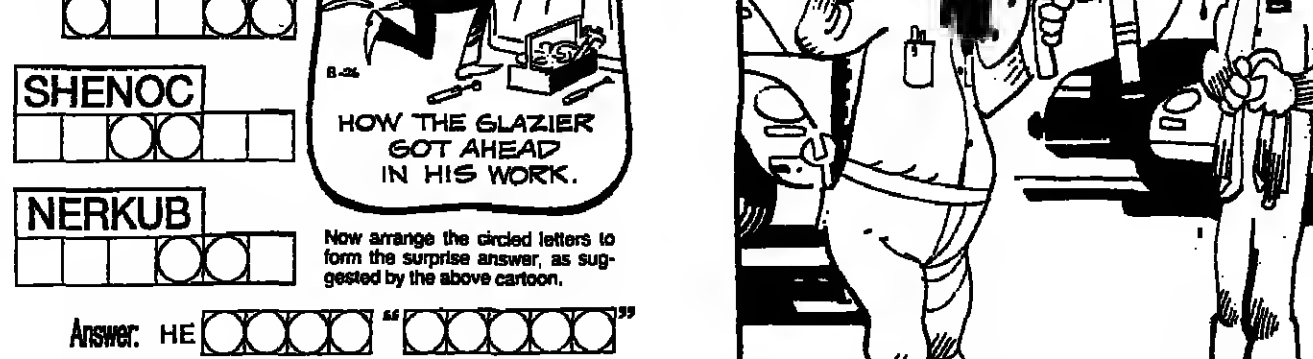
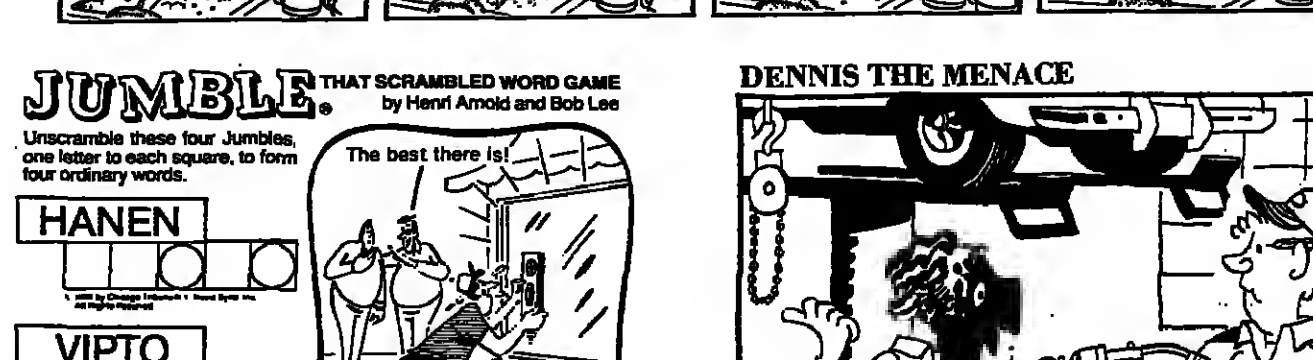
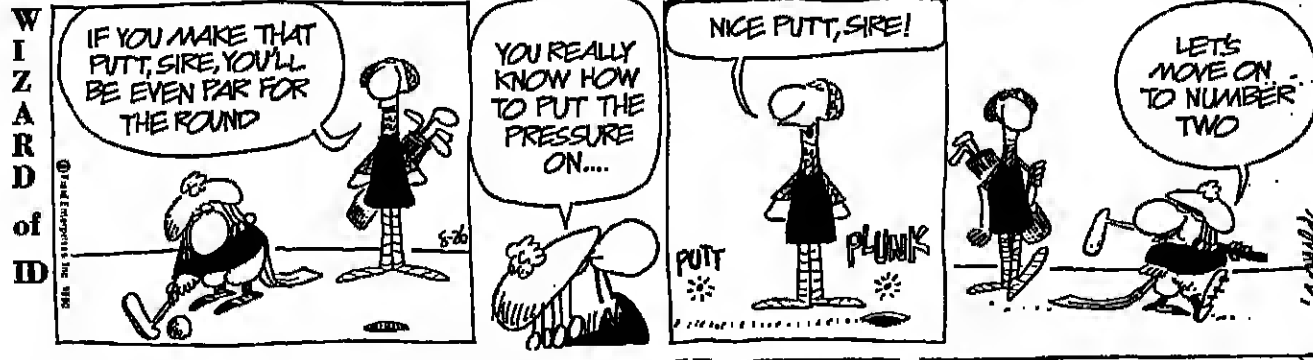
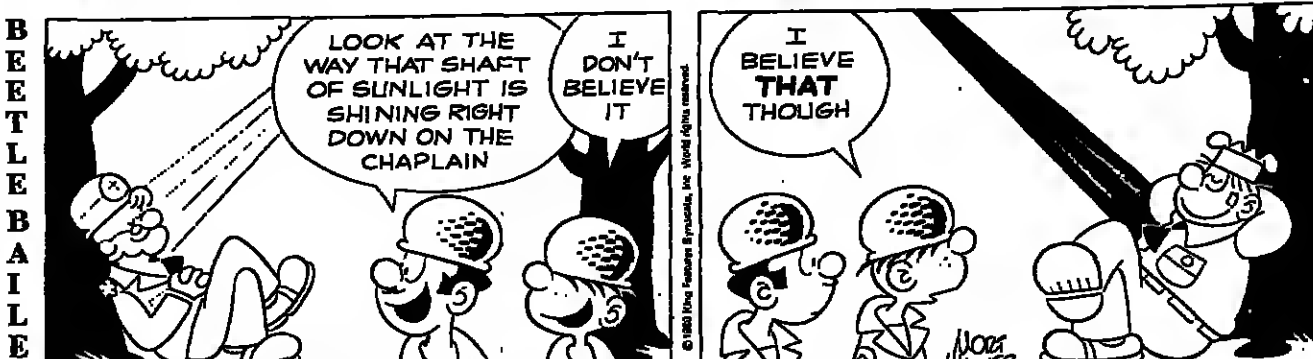
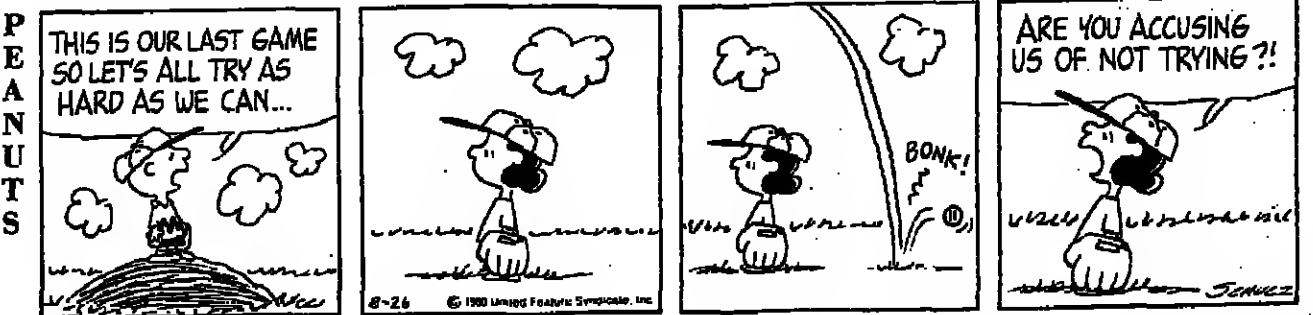
INDIANAPOLIS, Aug. 25 (UPI) — Rustlers should think twice before stealing a cow in Indiana — its noseprint may give them away.

In addition, noseprinting virtually eliminates the major swindles of the past where prize cattle or even racehorses have been switched. This year, steers coming to the Indiana State Fair had to be either noseprinted or freeze-branded.

Animal husbandry specialists have noseprinted about 4,000 Hoosier steers this year, and they are thinking of expanding the program to dairy cattle.

The two methods can provide immediate identification of animals involved in performance and production testing. But the specialists hope the long-range effect will make it easier to certify the breeding of better animals, and harder for thieves to steal them.

"It's a method of identification, just like fingerprints," said Kenneth MacDonald, an associate professor of animal sciences at Purdue University. "The nose does not change. The configuration of lines and dots on an animal's nose is just like our fingerprint." Noseprinting of steers is a way of keeping people honest, he said.



BOOKS

SEEMS LIKE YESTERDAY

By Ann Buchwald interrupted by Art Buchwald
Putnam, 228 pp. \$10.95.

Reviewed by Anne Chamberlin

A WIFE'S version of events, in a husband's interruptions, is a device full of promise, and the Buchwalds bring some extra dimensions to the genre. Ann, who does most of the talking, has a sharp eye and an incisive style. Art, who gets some telling words in edgewise — in bold type, to offset his meager turf — is one of the few practicing satirists and a classified American asset. The deal was that Art could not see what Ann had written until the book was in galley; and he vowed not to interrupt except when he thought Ann got the facts wrong, or mislabeled him, or he thought his contribution could "clear the air." He goes at this work with practiced restraint. You feel from the start that you're in safe hands.

And the ground they cover is Paris during the 13 years, from 1949 to 1962, in which they met, fell in love and lived together in wedded bliss (after being married in London because of bureaucratic hassles in France). This was the Paris where a student could live like a prince for \$100 a month, where a good meal could be had for 95 cents, and where a new postwar generation of Americans had begun to congregate for what would turn out to be the best years of their lives. Many were writers and artists, and Paris was the glorious base camp from which they would start their climb to the top.

A Mismatched Pair

By the obtaining standards, the Buchwalds were a mismatched pair. Ann McGarry was a devout Roman Catholic, the oldest in a family of nine girls and two boys. "I had my mother and father's undivided attention for a full 16 months before anyone else was born," as she puts it.

Art was a Jew, brought up in foster homes around New York. He came to Paris on the GI Bill to write the Great American Novel; and because a friend had assured him that the streets were paved with matresses. He arrived with \$100 in his pocket, a big box of chocolate bars and some soap and toilet paper given to him by his sisters. He enrolled in the French language classes at the Alliance Francaise on the Boulevard Raspail, bribed someone to mark him present in class and went forth into the great school without walls that Paris has offered to generations of young Americans who wander its old gray streets looking for themselves. He lived in a room eight feet square in the Hotel des Etats-Unis, a place with elevators that only went up, paper-thin walls and a bathroom down the hall.

By the time Ann got there he had already risen from being leg man for the Variety correspondent to a post as nightclub reporter and restaurant and movie critic for the Herald Tribune in Paris. He was an accomplished boulevardier, and had turned the faithful corner onto the road that would lead him to fame and fortune.

Ann had quit her fashion job with Niman-Marcus in Dallas and had gone to Paris to find a new life and a new career where the pay would rise to \$10,000 a year — "the highest figure I dared shoot for since I spent 10 years reaching what seemed an impenetrable ceiling of \$7,500."

Her assets were about standard for the day: \$1,000 in traveler's checks and the return half of a New York to Paris round-trip airplane ticket, good for a year. She also had a letter of introduction from Stanley Marcus to Pierre Balmain; and fate guided her into that establishment on a day when Balmain was sitting at his desk during lunch hour, his head in his hands. He had fired his publicity director minutes before. Ann spoke no French and had never done public relations, but she knew "the girls at Vogue and Harper's Bazaar" and Balmain was desperate, so she got the job.

She met Art in the hotel room of the girl he was dating at the time. He was snoozing in a wing chair, a sporty brown hat pulled down over his glasses, his feet half out of his loafers. When they were introduced he lifted his hat so he could see and said, "Hi." ("I'm certain," Art adds here, "that if I had any inkling that someday we would be married, I would have stood up when she walked in the room.")

Gradually the classic battle lines were taking shape. On their third chance encounter, he invited her to a nightclub, where she told him he had funny ideas in his column but lousy grammar. In the row that ensued he missed the opening he was supposed to cover, but he kissed her in the taxi when he took her home, "with such sweet and surprising fervor that I didn't say a word."

They drifted into a vague arrangement whereby "Art would remain the free spirit he had always been. Although we would not date other people, we would not take each other seriously either." Marriage was out. "Catholic daughters don't marry Jewish sons, and vice versa." ("I really didn't know what I was getting into," Art writes, "but I certainly did not mean that I wanted to go steady.") How, then, someone write the Great American Novel if he has to worry about meeting the same girl every night for dinner? In those quiet times, people didn't live together. "In later years, to save face with our children, we said we had lived together."

So the tussle escalated. Art threw up at the idea of marriage. Ann felt lost without it. She threatened to go home; he changed his mind, but to arrange a Catholic wedding they had to go to London.

Among the Swells

Many more adventures lay ahead. They moved in elegant circles through Art's career, but even though she had a career of her own, Ann never felt at ease among the swells. When Alfred Lunt was invited to their apartment to cook a 10-course dinner, she put on a new linen floor in the kitchen. She often left elegant parties in tears.

Life took on a strange and wonderful urgency for them when they found they could not have children of their own. By surmounting incredible tangles of red tape, they managed to adopt a boy in Ireland, a girl in Spain and another in Paris. Their joy, as each small bundle joined their household, was ordinary parenthood in the shade. "What if we had not found our children or worse yet, having found them not been allowed to take them? It is an accident where we live, they are 'legends'!" Ann writes. "That we did bring them safely home seems just as miraculous as their birth itself."

They went to desperate lengths to see that they were all naturalized as Americans.

Despite the celebrated company, Art kept and the high plane of a life to their adventures, Ann and Art's to make Buchwald somehow never lost sight has been one of the facts that they were just a couple. But people of America in Paris who get their heads eventually go home, where they belong. The book's shortcomings are on many levels, and this quality is the only one of them.

Anne Chamberlin, a Washington writer, wrote this review for The Washington Post. ©The Washington Post

BRIDGE

By Alan Truscott

NORTH-SOUTH bid to an optimistic slam on the diagramed deal, but South took full advantage of a favorable lie of the cards to turn disaster into triumph. South scraped up a one no-trump opening and the side headed for slam. As this was match point scoring, he eventually settled in six no-trump rather than six clubs. North's three-club rebid following Stayman was foreseen in the partnership style.

NORTH			
♠ A	♠ J 8 5	♠ A K 5	♠ A 7 5 4 3
♥ K Q 9 3	♥ Q 8 7	♥ 4 2	♥ 9 8 5
♦ A 2	♦ 9 8 7	♦ 4 2	♦ 9 8 5
♣ A 7 5 4 3	♣ A 7 5 4 3	♣ A 7 5 4 3	♣ A 7 5 4 3
SOUTH			
♠ J 8 5	♠ J 8 5	♠ J 8 5	♠ J 8 5
♥ 4 2	♥ 4 2	♥ 4 2	♥ 4 2
♦ 9 8 7	♦ 9 8 7	♦ 9 8 7	♦ 9 8 7
♣ A 7 5 4 3	♣ A 7 5 4 3	♣ A 7 5 4 3	♣ A 7 5 4 3

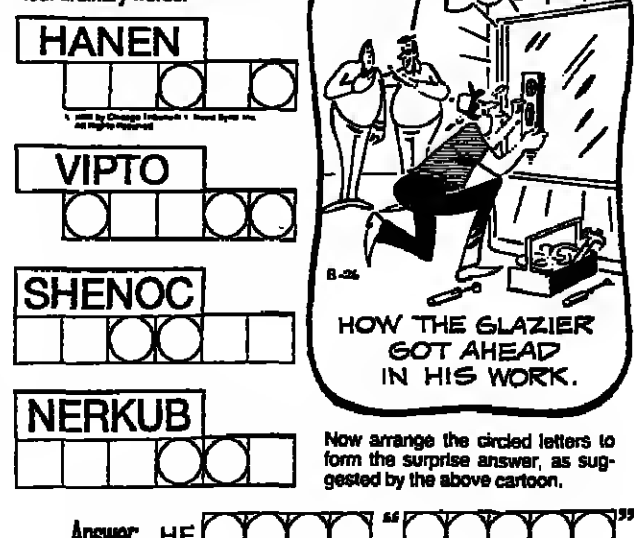
East and West were vulnerable. The bidding:

East	South	West	North
Pass	1NT	Pass	2♣
Pass	2♣	Pass	3♣
Pass	3♣	Pass	4♣
Pass	4♣	Pass	5♣
Pass	5♣	Pass	6NT
Pass	Pass	Pass	Pass

West led the club nine.

JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.



Answer: HE (Answers tomorrow)

Yesterday's Jumbles: BEIGE GROUP POTENT MENACE
Answer: Where the recently deposed monarch came — IN OUT OF THE "REIGN"

Imprimé par P.O. 1, Boulevard Ney, 75018 Paris

مكتبة الجبل

